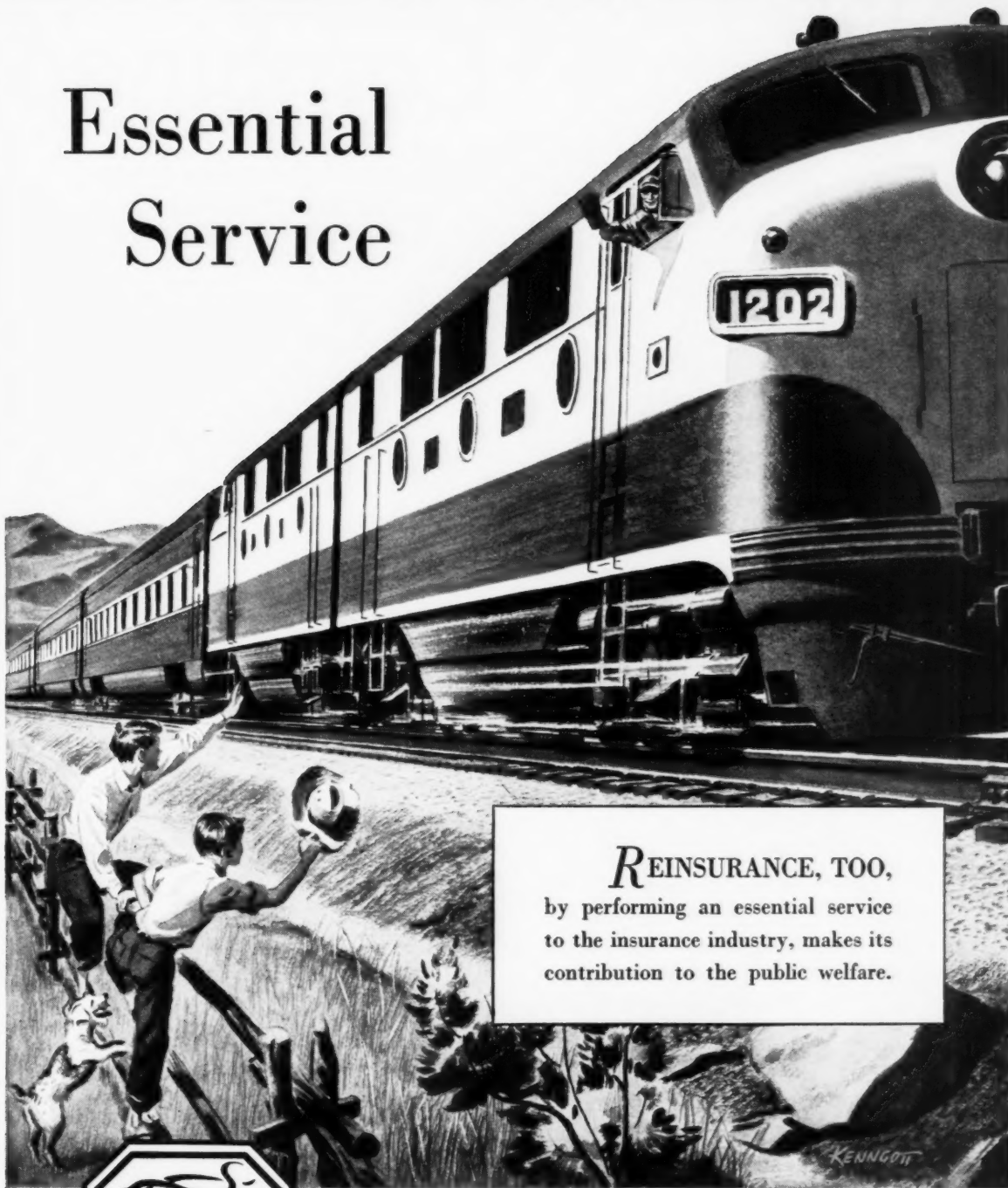


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Essential
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*R*EINSURANCE, TOO,
by performing an essential service
to the insurance industry, makes its
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GENERAL REINSURANCE GROUP

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Midwestern Department: 1012 BALTIMORE BLDG., KANSAS CITY 5, MO.

THURSDAY, JUNE 17, 1954



My Pop Works for Combined...

When I Grow Up I Will Too!



W. Clement Stone, President

5316 N. Sheridan Road

Chicago 40, Illinois

New Orleans Board Says U.S. Doesn't Have Jurisdiction

Exchange Answers Department of Justice Complaint

New Orleans Exchange has asked the U. S. district court there to dismiss the government's anti-trust complaint. The exchange's motion emphasizes that the government does not have jurisdiction, that exchange activities are purely local and that it does not sell or write insurance.

The motion to dismiss points out that the Louisiana law specifically regulates and governs boycott, coercion and intimidation resulting or tending to result in unreasonable restraint of or a monopoly in the business of insurance.

The Sherman act is not applicable, the motion states, where activities of local associations or exchanges are purely local in character. Such activities are not in interstate commerce and therefore cannot constitute a violation of the Sherman act. The mere fact that interstate commerce may be incidental to the activities of the local association or exchange does not make such acts violative of the Sherman act.

The motion calls attention to the Supreme Court decision in the baseball case, in which the high court stated that local business activities are not subject to the provisions of the Sherman act, though interstate commerce may be substantially involved as incidental to the business.

The motion states that the government's charges against the exchange do not allege any facts showing that the exchange engages in any acts of monopolizing or restraining interstate commerce. The government suit fails, according to the exchange's motion, to allege any conspiracy or attempt to fix or regulate prices, premiums or commissions. Furthermore the government does not allege any monopoly or attempt to monopolize commerce through the regulation of prices, premiums or commissions.

Though the government's suit, filed last January, was filed under the boycott, coercion and intimidation section of public law 15, the motion of the exchange cites the McCarran act's express delegation to the states of the right to regulate insurance. Louisiana adopted legislation fully and completely regulating and governing the insurance business, specifically acts such as those complained of in these proceedings.

The government suit charged the exchange with conspiring to prevent, hinder and discourage the selling and writing of fire-casualty business in its area through outlets other than exchange members and except on terms and conditions imposed by it. This was accomplished, the government alleged, by a boycott against non-member

Harvey Contrasts Fire, Agency Companies EC, AEC with New Broad Dwelling Forms Influences—Hines

Lester S. Harvey, president of New Hampshire Fire, speaking before the convention of New England Assn. of Insurance Agents, at Newcastle, N. H., analyzed the broad dwelling covers now being written by Inter-Regional Insurance Conference, Multiple Peril Insurance Rating Org. and Interbureau Insurance Advisory Group, and the special homeowners policy originated by Fireman's Fund and expected to be recommended nation-wide by Inter-Regional.

His purpose was to show that with the endorsements that may be attached to these policies, where necessary, they are much alike. Any differences in coverages are of minor importance except in SHO and Inter-Regional, where replacement insurance is guaranteed if insurance is written 80% to value or better. That is, in case of loss if properly insured, they pay new for old.

"I hope I'm wrong," he said, "but I believe these policies may be too liberal. I fear we are approaching the danger mark. Time will tell."

At first glance, the Inter-Regional physical damage policy appears to call for insured to pay 2 cents over and above what the fire policy and EC and AEC would cost with very little added protection, but on close analysis of this form, comparing it with the straight fire policy, the following added

(CONTINUED ON PAGE 28)

agents and companies which appointed them, against mutual insurers, and against companies which sold directly through branch offices.

The government's suit against Cleveland Board made substantially the same charges. That case is pending in the federal district court at Cleveland.

There is much evidence that the public is willing—even anxious—to forego service when compensated in price, and therefore, to compete—possibly even to live—costs must be reduced, H. R. Hines, joint manager at Atlanta of Crum & Forster, declared in his presidential message at the annual meeting of SEUA at Hot Springs, Va.

Mr. Hines, Vice-president John A. North, president of Phoenix of Connecticut group, and William W. Sampson, manager, were continued in office for another year.

There is one form of competition that should be taken most seriously by agents and the companies that operate through them, Mr. Hines said. It carries grave possibilities for the agency method of operation and "It would be unrealistic to believe that this type of competition will not be adopted by other chain stores and department stores."

It is most encouraging, Mr. Hines said, that companies and agents are beginning to become aware of the threat to them and are preparing to lay aside less serious complaints and work together to meet it. Those in the agency system should be able to work out a program looking toward narrowing the spread between their costs and those of the direct writers.

Turning to another phase of the business, Mr. Hines said that much, perhaps too much, has been done toward developing and marketing packaged policies. Unfortunately, instead of simplifying the problem, it has been made more complicated and confused by the multiplicity of policies with differing terms and rates. A more unified approach would have made it easier

(CONTINUED ON PAGE 37)

Commissioners Okay Vigorous Action on A&H Complaints

Criticism, Interest of U. S. in Field Arouses State Supervisors

DETROIT—Commissioner Martin of Louisiana proposed three resolutions to the A&H committee of National Assn. of Insurance Commissioners here which call for legislation or enforcement of existing laws and regulations so as to eliminate or reduce the causes of complaints about A&H coverages from the public. The A&H committee approved the resolutions.

There was some spirited opposition from the mail order insurers but strong if judicious support from other parts of the A&H business.

A&H proved to be one of the few lively topics at the convention. R. B. Perkins, assistant secretary of Health, Education & Welfare, urged at one plenary session that the government in its advocacy of federal health reinsurance is not at all attempting to encroach upon the prerogatives of the commissioners in the field of regulation, and Oveta Culp Hobby, Secretary of Health, Education & Welfare, addressed another plenary meeting and expressed, among others, similar views.

The NAIC election went off as scheduled with Knowlton of New Hampshire president, Leggett of Missouri vice-president, and Taylor of Oregon becoming chairman of the executive committee. Bowles of Virginia was re-elected secretary-treasurer. New members of the executive committee are:

At large, O'Connell of Idaho, Leslie of Pennsylvania and Sheehan of Minnesota. Zone representatives, Bisson of Rhode Island, zone 1; Jackson of Maryland, zone 2; Davis of Mississippi, zone 3; Burt of South Dakota, zone 4; Pansing of Nebraska, zone 5; and Hammel of Nevada, zone 6. Zone chairmen, in above sequence, Allyn of Connecticut, Bowles of Virginia, Larson of Florida, Fischer of Iowa, Apodaca of New Mexico and Sullivan of Washington.

The 1955 annual meeting will be held in Los Angeles May 29-June 3.

One of Mr. Martin's resolutions recommended to the state legislatures that where such laws now are not in effect they enact legislation, including sufficient and appropriate authority to insurance departments to enable commissioners to cope with unfair and misleading advertisements and policy forms.

The legislation would require that where individual A&H, sickness or medical policies are cancellable or renewable at option of insurer, any advertisement shall contain a prominent statement to that effect, and where details of benefits are set forth in any advertisement the latter also shall dis-

(CONTINUED ON PAGE 10)

Late News Bulletins . . .

Vote 20% American Auto Stock Dividend

Directors of American Automobile have declared, subject to approval of stockholders, a stock dividend of 20% payable on or about July 27 to stock of record July 12. A cash dividend of 50 cents per share was also declared payable Sept. 1, to stock of record Aug. 15.

No Hartford TV Decision Till August

WASHINGTON—There will be no federal communications commission action on conflicting applications for a license to operate a TV station in Hartford before August. Briefs from both applicants, Travelers and Hartford Telecasting Co., are due by mid-July, after which 20 days are allowed for replies. After these documents are in and proposed findings are submitted to FCC examiner Fanny Litvin, she will prepare a decision subject to review by the full commission.

Hope Seen for Restoring A&H Tax Exclusion

WASHINGTON—Prospects are regarded as good for restoring to the new tax bill a reasonable income-tax exclusion for employees receiving loss-of-time benefits under A&H policies paid for by employers, including statutory disability plans. The bill is scheduled to be reported out by the Senate finance committee late this week, so the changes would have to be made in the conference committee. The House version removed the present unlimited exclusion for all employer-paid loss-of-time benefits, insured or uninsured, but the Senate

(CONTINUED ON PAGE 40)

Public Relations Is Dominant Theme at A&H Agents' Meet

**Leonard McKinnon
Elected President at
Omaha Convention**

By WILLIAM B. BORDEL

The 1954 convention of International Assn. of A & H Underwriters in Omaha this week developed into one in which public relations became the biggest and seemingly all-important subject. Prompted by the urgency of current necessity, public relations came up, directly or indirectly, during every session, and in the important trade association panel session, for one, the problem of public relations was dealt with by every one of six speakers representing as many company and agency organizations interested in A&H.

Ways in which the problem can be met, is being met, or will be met were suggested, discussed, reported upon, and acted upon. Consensus of opinion was that it needs to be dealt with at all levels in the association, from the individual field underwriter to local, state, and national action and then, too, in organization action of other associations interested in whole or in part in the A&H business. It was also agreed that the individual field underwriter—the agent—is the person of the greatest individual importance in the matter. It was implied that, after all is said, the fact still remains that he is the actual representative of A&H insurance to the public, and thereby the one vital personal influence that can cause public opinion to be good—or bad.

The new president is Leonard McKinnon of McKinnon & Mooney agency, Flint, Mich., and 30 years in the business. He was elevated from the office of vice-president which he held for the past year, when he also served as chairman of the public relations committee.

Vice-presidents are Clifford E. McDonald of International Fidelity, Dallas, who was reelected, and Howard Nevenon of Washington National, Los Angeles. Jay DeYoung of DeYoung-Kummerow, Chicago, was again reelected controller.

Reelected to the executive board for a term of three years was John G. Galloway, Provident Life & Accident, Birmingham, who was made president in 1952 and who served as chairman of the board last year. E. J. Coffey, Mutual Benefit H. & A., Portland, was also reelected. Newly elected are Emerson Davis of Inter-Ocean, Dallas, who has been active in association affairs for many years, and Frank Franches, Pacific Mutual Life, Cedar Rapids.

The convention city for 1955 will be San Antonio.

Convention registration was estimated at about 350 after the counting stopped when the total had reached 328. This was not far from the total of more than 400 at last year's convention in Chicago. The record in recent years and perhaps for all time was the registration of more than 500 and attendance as high as 600, at the 1948 convention in Minneapolis.

Principal actions of the executive

board stressed the urgency of stronger public relations as a necessity in meeting current publicized opinions of the business, and in dealing with legislative problems at their roots. It was stated that while the association is not constituted so as to help much in the way of financing public relations activities on an interorganization basis, it feels that the company organizations should take leadership to develop a sound public relations program, integrated industry-wide. It also feels that, from the manpower standpoint because of the nature of its membership, it can provide considerable good assistance.

This is possible because of the strategic position of agents as potential public relations workers between companies and the public.

In conjunction with this, the association proposes to take more concentrated activity in legislative matters at national, state and local levels. Past experiences have been illustrative of the great value of the state and local organizations in meeting legislative problems at their beginnings.

Working still closer with other organizations in the business is another goal. Association representatives have met during the year with those of the H&A Underwriters Conference as a Disability Insurance Coordinating Committee for the purpose of coordinating the activities in which both organizations have related interests.

President Thomas Callahan, Time of Milwaukee, presided at the council meeting and awarded plaques of appreciation to board members and others who had served the association during his term of office. He reviewed the objectives that were set up at the beginning of his tenure of office the progress made with them. Important among these was the increasing by 100% of the number of state associations from 16 to 32.

William G. Coursey, managing director, outlined aims for the coming year: The organization of more state associations; revision of the disability insurance training course which, he said, has been placed in about 38 universities; continued improvement in the association's magazine; increased membership; building up participation in the leading producers round table. He said in the next two years the association has got to make huge strides if it is to be a success.

The Leading Producers Round Table enjoyed an increase in membership of 30% over what it was last year, co-chairman R. L. McMillon, Business Men's Assurance, Abilene, reported. He made the awards to four recipients of bronze plaques and to 15 recipients of gold plaques.

Five companies with home offices in Omaha helped make the success of the convention possible: Central States H&A Assn., Guarantee Mutual Life, Mutual Benefit H&A., Travelers Health Assn., and World Insurance. Co-chairmen of the convention committee were Ray Wicker of the World and William Reinsh of Mass. Bonding. Committee members included George L. Harding, Mass. Protective; E. Dean Miller, Central States; Robert D. Marcotte, Mutual Benefit H&A.; George D. Chamberlain, National Casualty; Ralph Voeks, Monarch Life; J. H. Conover, Guarantee Mutual; L. J. Marcotte, Mutual of Omaha; Frank Tesar, Guarantee Mutual; E. F. Gwynne-Vaughan, Washington National; R. W. Gilbreath, New York Life. Co-chairmen of the



Tom Callahan, Time of Milwaukee, retiring president of International Assn. of A&H Underwriters, with C. E. McDonald, International Fidelity, who was reelected a vice-president, photographed at the Omaha convention.

women's reception committee were Mrs. L. J. Marcotte and Mrs. B. B. Gribble.

Thomas Pansing, insurance commissioner of Nebraska, Homer Rose, deputy commissioner, whose work deals largely with A&H, and Mayor John Rosenblatt of Omaha took part in welcoming the convention. Mr. Pansing urged that agents have integrity, practice complete honesty, and employ efficiency in selling.

Tom Callahan, outgoing president, presented the convention as a "working convention," and Chet Elson, general agent, Mutual Benefit H&A., Waterloo, Ia., sounded the keynote address in the opening session with an analysis of the ability to work and the other necessities which the career salesman must possess. He must work with words, thoughts and imagination in arousing the emotions of people and in enlarging his own stature in the opinion of himself and of other people. Many who heard him were remembering his recollection that "there are five things that make a career insurance salesman. First and most important is enthusiasm, and the hell with the other four."

Words, he said, are the agent's weapons and his tools. He urged greater use of emotional selling, in which words have such great power.

"Imagine yourself being successful," he urged, "and you will find yourself working to make yourself a success." The work requires concentration, but it will net results.

Dwight Mead, general agent for Pacific Mutual Life, Seattle, was the luncheon speaker on Monday, introduced by E. H. "Count" Mueller of Milwaukee. Mr. Mead looked back upon his more than 40 years of success in the business and said that "we have only just got started."

He gave as his recipe for success: (1) A definite work schedule, (2) sufficient office hours to capitalize fully the field hours, (3) organized prospecting system for interviewing select prospects, (4) a record that will keep the agent stimulated to greater achievement, and (5) ability to stick to the work program every day. Making 15 to 20 calls a day and getting four to eight interviews will result in substantial volume.

In stating that the industry's public relations work has not been the best, he exhibited the results of such work that was accomplished in Seattle, in the form of a portfolio of newspaper clippings, telling the story of public relations work by the *Seattle Daily Times*, the medical society and the University of Washington's school of medicine in conducting five question-

(CONTINUED ON PAGE 40)

Public Relations No Simple Panacea, A & H Agents Told

Roy A. MacDonald, director of company relations of H&A Underwriters Conference, in his address before the meeting of International Assn. of A&H Underwriters at Omaha, commented on the significance of public relations to the A&H business and the importance of conducting a public relations program on the proper basis.

Many persons in the business have said that public relations is needed to do something about the criticism A&H is receiving, but Mr. MacDonald said he has often gained the impression from these speakers, that they believe in the good fairy. A public relations program is a big and serious problem for the A&H business, and is not to be entered into lightly, he advised. "Bungled or poorly organized public relations programs are as bad as no public relations programs at all."

Mr. MacDonald said such an activity requires the same type of organization, research and skilled personnel as any other business venture. It is necessary to have a foundation in truth and honesty. He suggested a little introspection before embarking on a concerted public relations effort because the business is full of differences in philosophy and approach. Trade associations, such as the conference, have reconciled these differences, a matter of no small accomplishment, and they have undertaken on their own initiative limited or specialized projects within the confines of their budgets.

Reviewing some of the public relations activities now in progress, such as dealing with government officials and interpreting opinion, setting up a code of advertising ethics, Mr. MacDonald pointed out that this is not cheap. A full-page ad in a metropolitan newspaper costs \$4,200. A radio or TV mention costs \$500. The average 25-minute film costs from \$1,000 to \$2,000 a minute to produce and it costs about 5 cents for the person who sees it. Some corporations and organizations appropriate \$500,000 or more a year in their public relations budget, and he said he hopes the A&H business has such a budget in due course. When that day comes, Mr. MacDonald remarked that his hope is that there will be set up a long-term program, and not one concerned with wand-waving.

The ties of the producer in the field with his community in one direction and with the company in the other have been tested and approved in the growth of A&H insurance, the speaker said. It is successful in merchandising and can be equally successful in dispensing public relations. A public relations program today must be tied to this type of approach. Trade associations and industry groups operating on a national level have as a responsibility the development of research and information which will act in a community approach of interpreting the business to the public.

Thus the man in the field has to be informed and must actively practice sound public relations. The agent has to serve as the eyes and ears of the business, investigating attitudes and cataloging them for relaying on to specially trained public relations personnel.

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Casualty Premiums Pass \$8½ Billion, Argus Chart Shows

**Underwriting Gain
More Than Doubled;
Report on 1,131 Insurers**

Premiums earned in 1953 by 1,131 casualty companies of all classes, including accident and health departments of life companies, reached a total of \$8,609,518,581 according to the new 1954 edition of the Argus Casualty-Surety Chart just published by the National Underwriter Co. This is an increase of 19.2% over the total of \$7,223,792,213 reported for 1,040 companies a year ago. The complete tabulation of aggregates for 1953, which is reproduced on page 38 of this issue, also shows a total of the net premiums written by an even 1,000 companies in 1953 as \$8,684,761,391, an increase of 21.8% over the total written by 950 companies in 1952. The premiums earned figures for 1953 include 131 predominantly fire companies that write a considerable volume of casualty business. These same companies, however, are not included in the total of premiums written.

The A&H and automobile lines produced the greatest increases in the various casualty classifications. A&H earned premiums alone of 929 stock, mutual and reciprocal and Lloyds companies increased 21.6% to \$2,256,584,201 exclusive of the hospital and medical-surgical business. The automobile physical damage, bodily injury and property damage earned premiums of these same companies increased 21.8% to \$3,295,227,466. The other classifications also show substantial increases, but not as spectacular as these. Workmen's compensation passed the billion dollar mark to reach \$1,028,369,721 in earned premiums. Liability other than automobile made a large gain from \$319,756,153 in 1952 to \$394,493,293 at the end of 1953.

Each of the classes of companies has been responsible for its share in the increased volume of business. A total of 635 stock companies produced an increase in premiums earned of 19.7% to a total of \$5,554,370,666 while the 243 mutual companies reached a total of \$1,643,639,094, a gain of 17.7%.

The distinct improvement in both loss and expense ratios has resulted in a gain from underwriting by 1,000 companies in 1953 of \$554,790,847 as compared with a gain of \$242,376,111 in 1952 and a loss of \$88,372,321 in 1951. This trend is true in almost all classes of companies, with the companies doing a reinsurance business only showing a gain for the first time in several years. The A&H companies did not enjoy as much improvement in either the loss or expense ratios, but were able to produce a gain from underwriting of \$83,968,569 by the stock companies and \$1,600,970 for the mutual companies. The hospital and medical-surgical companies produced exactly the same loss ratio as in 1952, i.e., 86.4%, but were able to reduce the expense ratio five tenths of a percent to give them a gain from underwriting of \$58,754,640 compared with \$44,417,695 in 1952.

The tremendous increase in volume of business and the greater number of

(CONTINUED ON PAGE 38)

O. B. Brown, Loyalty Group Veteran, Is Retiring

Second Vice-president O. B. Brown of the western department of Loyalty group, who at his own request has been placed on the inactive list, was guest at a testimonial dinner given in his honor by Loyalty group at the Lake Shore Club, Chicago, last week, those present being associates of Mr. Brown in the western department.

Out of town guests included Vice-president Howard D. Vore of Newark, representing the home office, Mr.



O. B. BROWN

Brown's two sons, Budd G. Brown of Columbia, Mo., and Robert B. Brown of Norman, Okla., and Lester Burdick, Loyalty group representative from Boston.

Vice-president H. A. Clark acted as toastmaster, and on behalf of Loyalty group presented Mr. Brown with a wristwatch in recognition and appreciation of his many years of valued service to the group. As a token of the esteem in which Mr. Brown is held by his associates, Secretary James I. Perkins, on behalf of those present, presented Mr. Brown with a combination wall clock and barometer.

Mr. Brown has had a long and notable career in the insurance business. For several years he was engaged in the local agency business at Oregon, Ill., and after disposing of the agency was special agent for the Continental farm department in Indiana, later having charge of that department for the company in that state. For a time he traveled as state agent for the Atlas in Indiana and Kentucky. In 1930 he joined Loyalty group as state agent for Indiana, and in 1938 was transferred to the western department in Chicago as secretary of all Loyalty group companies, being later promoted to the position of second vice-president.

Mr. and Mrs. Brown will make their future home on their farm near Mattoon, Ill., and will spend their winters in Florida.

Vice-president Clark announced that as a result of Mr. Brown's retirement the supervision of the business in the several states under the jurisdiction of the western department has been reallocated and assigned respectively to Second Vice-president Lloyd W. Brown, Secretary James I. Perkins and Secretary Arch Blickenstaff.

General Re Declares 1-for-5 Stock Melon

General Reinsurance has declared a stock dividend of one share of stock for each five shares outstanding. This will increase the number of shares from 550,000 to 660,000. The stock dividend will be payable June 30 to holders of record June 21.

The company declared the regular quarterly cash dividend of 45 cents a share (\$1.80 a year) payable June 30 to holders of record June 25. It will be paid on new shares as well as on shares presently outstanding.

The unsatisfactory underwriting experience of the last few years in the casualty lines was reversed last year and both General Reinsurance and North Star Reinsurance, its fire affiliate, had a satisfactory 1953 experience, Edward G. Lowry, Jr., chairman, commented.

Underwriting experience in 1954 to date has been characterized by good casualty underwriting results, although the underwriting profit margin in the fire lines has been lower than for the last several years, he said.

London Assur. Gives World-Wide Report

World-wide premium writings of London Assurance, covering all major classes, totalled £18,243,706 in 1953, increase £551,018. Consolidated assets amounted to £47,800,611 compared with £45,574,075. Consolidated profit for the year was £760,791, which was little changed from the £767,069 for 1952.

Premium income in the fire account amounted to £7,871,000, increase £74,000. In the marine account, R. Olaf Hambro, governor of the company, said the problem of delayed repairs makes it difficult to get a clear picture of results on the hull account. However, he said, the line is very competitive. Premiums for the year were £3,541,000 compared with £3,597,000. In the accident account premium income was £4,898,000, compared with £4,452,000. A large part of the writings was motor insurance.

Pelnar Acting Head of Ill. Department

Laddie T. Pelnar, assistant director of insurance, has been named to take charge of the Illinois department until a successor is named to Robert E. Barrett, who died Monday. Mr. Pelnar was appointed assistant director in June of 1953.

New Hand-Books Ready for West Virginia, Md., Delaware and D. C.

New, up-to-date underwriters' hand-books for the states of West Virginia and of Maryland, Delaware, and District of Columbia have just been published by the National Underwriter Company. These Hand-Books provide complete information on agencies, companies, field men, general agents, solicitors, groups and other organizations affiliated with insurance throughout these states.

Premiums and losses by lines, for West Virginia and also for Maryland, for all fire and casualty companies and life insurance paid for and in force for life companies, are also presented in special statistical sections of the respective volumes. Copies of either may be obtained from the National Underwriter Company, at 420 East Fourth street, Cincinnati 2, Ohio, price \$12 each.

Company Ad Chiefs, Agents Swap Ideas at Montauk Point

**110 Attend IAC Meet, Elect
H. V. Carlier, President,
W. H. Doty, Vice-president**

By RALPH E. RICHMAN

The Insurance Advertising Conference meeting at Montauk Point, N. Y. Monday and Tuesday this week, was an advertising idea exchange between local agents and insurance company advertising department heads. Out of it has come an invitation from a representative of the National Assn. of Insurance Agents to the IAC to consider sending a committee to appear before the executive group of NAIA for discussing methods of cooperation designed to bring speakers on advertising more frequently before local agency meetings and to stimulate use of IAC services in specific agency advertising programs.

The new president of Insurance Advertising Conference is H. V. Carlier, Northern Assurance. Elected with him were W. H. Doty, Aetna, vice-president, and Edmund Schenke, R o y a l - L i v e r p o o l, secretary-treasurer. Executive committee-men for one year are Alvin E. Bulau, Home, and Lewis S. Dabney, Employers; for two years, Leslie F. Tillinghast, Great American and W. W. Clement, American International Underwriters; for three years, Thomas H. Shellock, Fidelity & Deposit and Alden M. Taylor, Phoenix of Hartford.

Insurance company membership in IAC will hereafter be limited to representatives of companies operating as supporters of the American agency system. Winners of the annual agency advertising contest are to become honorary members of IAC and last year's winner is to be thus recognized also. The next IAC meeting is to be a work shop session later this year probably in New York.

Mr. Carlier guided the sessions, assisted by Irving Bothwell. Retiring president. Registration reached 110.

Charles J. Unger, secretary-treasurer, New Jersey Agents Assn. led off Monday morning against strong competition from the local air raid siren by asking several local agents present to suggest how companies and agents could improve agency advertising. Richard T. Gilmartin pungently and humorously told why company circulars often did not fit local conditions. For example the circulars showing the cashier with her hands in the till and the bookkeeper using ink eradicator on the account records was not suitable to send to the small business man whose mail was examined by the neighbor's daughter, helping out in the office, and the agent's brother-in-law who kept the records.

Paper mats made up for local news-

(CONTINUED ON PAGE 37)

V. J. Skutt Is Host to 100 at A&H Agents' Convention

About 100 were in attendance at the breakfast meeting during the convention of International Assn. of A & H Underwriters given by President V. J. Skutt of Mutual Benefit H. & A. in honor of the association's outgoing going president, Thomas Callahan, and in honor of the newly elected president of Health & Accident Underwriters Conference, Joseph Scherr of Inter-Ocean who was unable to attend but was represented by Roy McDonald of the conference. Guests included about 10 former presidents of the association, present and past members of the executive board, members of the Omaha convention committee, and Mutual Benefit and United Benefit representatives.

The breakfast get-togethers in the past, with Mr. Skutt as host, have been held at annual conventions of the conference, and they have become a sort of tradition in association-conference relations.

"It has been my belief for a long, long time," Mr. Skutt said, "that there should be a closer relationship between the conference and the association." He lauded President Callahan for his association work during the year when he visited 46 states and provinces of Canada.

A highlight of the meeting was the showing of the colored film, "Two Cheers for Charlie," produced by Mutual Benefit and United Benefit. "Charlie" is a sales representative of those companies and the movie tells of the good results of his insurance work in the cases of two families to whom he succeeded in selling coverage, and the financial tragedy in a third family where the father failed to buy and later became permanently disabled.

It drives home to insurance people and the public alike the ways in which adequate A&H and life insurance can protect the family man's loved ones, particularly in making possible, as in this story, the completion of the education of a lovely daughter in each of the two protected families, while in the third family the daughter had to leave high school and go to work. The

part of "Charlie" is excellently portrayed as an ideal agent who is a friend, benefactor, and public relations expert in various ways.

B. H. Peterson Elected by Indiana Pond

B. H. Peterson, Automobile, was installed as the new most loyal gander of Indiana Blue Goose at the annual meeting at Lebanon. He succeeds Don D. Fitzgerald, Commercial Union. The other new officers are: Harry F. Von Burg, Potomac, supervisor; W. U. Baker, American States, custodian; G. H. McKenzie, Merchants of Indiana, guardian; George Wilder, Home, keeper, and Hovey B. Skelton, Rough Notes, wielder (reelected) John W. Waddell, Factory Association, deputy most loyal grand gander, officiated in the installation.

Prior to the business meeting there was a golf tournament, and the low gross winner was Robert M. Voris, Loyalty group.

Indiana WC Rates Are Decreased 7.6%

INDIANAPOLIS — Commissioner Wells has announced that workmen's compensation in rates for the year beginning July 1 have been approved, with an average reduction in rate of 7.6%.

The Indiana department held an open hearing, at which representatives of National Council on Compensation

Kansans Elect Stoike, Marshall and Erickson

Three organizations of Kansas field men held annual meetings and elections in Wichita.

Kansas Fire Underwriters Assn. elected Ken J. Stoike, National Fire, president; Ken Rippetoe, St. Paul F. & M., vice-president, and Irvin Thomas, Aetna, secretary.

The State Fire Prevention Assn. marked its golden anniversary with 70 members in attendance. J. Max Marshall, Phoenix, was elected president, R. J. Kille, Hartford, president-elect, and W. C. Bock, Royal-Liverpool, secretary-treasurer.

The Kansas Blue Goose elected George E. Erickson, New Hampshire Fire, most loyal gander; Paul C. Foster, supervisor; Harlan R. Martin, St. Paul F. & M., custodian; Joseph N. McConathy, Home, guardian; Frank Regier, Globe & Republic, keeper, and O. D. Butcher, Hartford, wielder.

Insurance and its governing board appeared to present and substantiate the filing.

The reductions by classifications are: Manufacturing, reduced 5.6%; Contracting, reduced 5.2%; All others, reduced 11.5%.

NAIL to St. Louis in Oct.

The annual convention of National Assn. of Independent Insurers will be held in St. Louis the week of Oct. 25.

Highlights of the Week's News

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A&H complaints take spotlight at NAIC con- vention	Page 1
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Roy MacDonald says wand waving won't ac- complish PR job	Page 2
Casualty premiums pass \$8½ billion in 1953, Argus Chart shows	Page 3
O. B. Brown, Loyalty group vice-president in western department, is retiring	Page 3
Company ad chiefs, agents swap ideas at Montauk Point meeting	Page 3
V. J. Skutt entertains 200 at breakfast during Omaha A&H convention	Page 4

Fireman's Fund Sets Up S. F. Branch Office

Fireman's Fund group is opening a branch office at San Francisco in its home office building with Stuart D. Menist, assistant secretary, as manager.

James F. Barron is superintendent of the automobile and casualty unit; Armand E. Michetti is superintendent of fire underwriting. Robert P. Webb will provide specialized service on fire provisional forms, and the inland marine underwriting unit is supervised by A. R. Thomson, Jr.

The branch will provide fidelity and surety facilities.

Special agents will be George Free-
se, John Mulcahy, George B. Frank-
forter, and I. A. Bafigo.

Mr. Menist will assume his responsibilities as manager July 1. He is a graduate of the University of California and has been with the group since 1937. He is a past president of Surety Underwriters Assn. of Northern California.

Mr. Barron has been with the companies since 1930, having been special agent at Sacramento from 1940 until 1942 when he went to the home office as senior underwriter. He was assistant manager of the metropolitan automobile and casualty unit from 1943 until 1947 when he became manager. Mr. Michetti started in 1947, and after traveling the Fresno territory was named to the fire department at the head office. He was named supervisor of city fire underwriting in 1953. Mr. Webb has been with Fireman's Fund since 1927, becoming superintendent of the fire provisions forms unit at San Francisco in 1949. Mr. Thomson, who has been with Fireman's Fund since 1950, has been senior inland marine underwriter since 1953.

Glandon as President Columbus Board Seats

Insurance Board of Columbus, installed John C. Glandon as president. Other officers are John M. Miller, vice-president, and William D. Kientz, treasurer.

Three new directors also installed are Ford Adam, Mr. Kientz, and Harold O. Platter.

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Allied Lines Votes to Dissolve, Merge with Inter-Regional

NEW YORK—Members of Allied Lines Assn. have voted unanimously to dissolve. The advisory functions which it has been performing will be continued by Inter-Regional Insurance Conference.

The move, which involves the physical transfer from 85 John street here to 116 John street, the address of Inter-Regional, is expected to be substantially completed by July 1.

The staff of Allied Lines Assn. will go to Inter-Regional, and Henry W. Plouquet, manager of ALA, becomes an assistant manager of Inter-Regional. Committees of ALA will continue to function as heretofore on the Allied Lines and without break in continuity but now as a part of the over-all operation of Inter-Regional.

Since so many rules and practices of the Allied Lines follow fire rules and practices, the merger with Inter-Regional is expected to facilitate considerably the handling of the allied perils.

Hall, Associate Counsel Aetna Life Group, to Retire

Robert E. Hall, associate counsel of Aetna Life group, will retire July 1 after nearly 35 years with the organization. He joined Aetna in 1920 after several years in law practice and as county prosecuting attorney in Maine.

He began as an attorney in the liability claim department, and in 1928 was promoted to associate counsel of the group.

Mr. Hall served for 16 years as chairman of the policy forms committee of National Automobile Underwriters Assn. He has served on the fire and marine insurance committees of American Bar Assn.



Robert E. Hall

Conn. Mariners Elect

Mariners Club of Connecticut has elected Russell W. Wilson, Automobile, skipper; Malcolm R. Goslee, Aetna Fire, first mate; William M. McConnell, Jr., Appleton & Cox, purser, and Peter B. Harrington, Aetna Fire, yeoman.

P. O. to Open Safety Drive

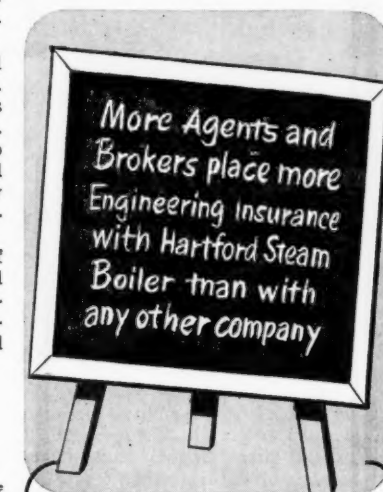
The Postoffice Department on June 15 will launch a national motor vehicle accident prevention program for U.S. postal employees. Program courses will start in Washington, D. C., on that date and continue through July and August in 758 cities.

The department said it expects the program to help reduce its annual cost

of \$1.5 million in injuries and property damage involving mail-carrying vehicles. It also expects to realize substantial cuts in its \$10 million annual bill for all types of accidents.

Insurance Investigation Service

New Jersey Claim Services Bureau has set up a fraud prevention division as a special investigation facility for insurance companies and industrial plants. In charge is Capt. Daniel J. Dunn, retired regional commander of New Jersey state police.



Because the quality
of service given by
Hartford Steam Boiler
Inspectors
helps create
client-satisfaction
... and a satisfied
client often
recommends the agent
to his friends.

Hartford Steam Boiler spends about 40 cents of each premium dollar it earns on direct damage insurance for engineering and inspecting facilities aimed directly at preventing accidents to equipment of its policyholders.



INSPECTION
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**HARTFORD STEAM BOILER
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HOUSTON FIRE & CASUALTY INSURANCE COMPANY GENERAL INSURANCE CORPORATION

Fire and Allied Lines ★ Casualty and Allied Lines
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Remind Your Clients:

Burglars

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especially if they're theirs!

Peace of mind is a nice thing to have on a holiday.

And you can help your clients achieve it, by recommending a Travelers Residence and Outside Theft policy before they go away on vacation.

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The Travelers costs only pennies a day, and protects the value of precious possessions.

Why not see your nearest Travelers Casualty Manager about details of Travelers Burglary insurance contracts?

The Travelers **INDEMNITY COMPANY**

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11: BENJAMIN FRANKLIN



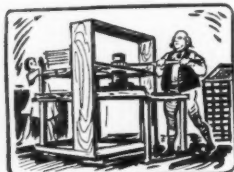
BENJAMIN FRANKLIN (1706-1790) was the fifteenth son of a poor candlemaker. He did many things well. He was a printer, inventor, philosopher, statesman and diplomat.



FRANKLIN WAS FIRST TO PROVE that lightning was electrical by flying a specially rigged kite in a thunderstorm. He invented the lightning rod, bifocal glasses and platform rockers.



HIS WISDOM AND COMMON SENSE helped to shape the U.S. into a free and democratic nation. He improved the postal system and founded an academy which became University of Pennsylvania.



AS A TRAINED PRINTER, Franklin printed and published his own writings, the best known being, "Poor Richard's Almanac."

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John Galloway Named A & H Man of the Year

OMAHA—John G. Galloway, Provident Life & Accident, Birmingham, immediate past president of the International association, was named "A & H Man of the Year" for 1954, at the annual meeting of International Assn. of A & H Underwriters here.

Mr. Galloway is the sixth person to receive the award, his predecessors having been E. H. O'Connor of Insurance Economics Society, V. J. Skutt, president of Mutual Benefit H. & A., William E. Leiby, California manager of Massachusetts Indemnity, the late Bert A. Hedges of B.M.A., and E. H. Meuller, Provident L. & A.

Mr. Galloway was one of the organizers in 1949 of the Birmingham association, and the next year he helped organize the Alabama association. He also organized the Mississippi association in 1951, and in that year also developed the first individual hospital admissions plan in the country, a plan that was later accepted by Hospital Insurance Council, and has been adopted with minor modifications in many parts of the country. He was a member of the executive board of the International association before becoming president last year.

Albert H. Wohlers, Youngberg-Carlson Co., Chicago, presented the award on behalf of the Chicago association.

Hedges Is Nat'l Union Ass't Chicago Manager

R. E. Hedges, has recently returned to Chicago as assistant manager for National Union. He had previously been state agent for western Florida for the company. A veteran of some 15 years in the insurance business, after attending Northwestern University, Mr. Hedges began with the Hugo Dalmir agency in Chicago.

He subsequently joined National Union there as an underwriter, becoming special agent about four years later, traveling Illinois at intervals, and then went to Omaha as marine special agent. While there he traveled Nebraska, South Dakota and part of Iowa, until becoming western Florida state agent.

Add N. Y. Board Directors

New directors of New York Board are P. W. Barnes, vice-president of Fire Association; Thomas D. Hughes, secretary of Fidelity-Phenix; and David S. McFalls, president of R. B. McFalls & Son.

Phoenix, Conn., to Vote on One-Third Stock Dividend

Directors of Phoenix of Hartford have voted to recommend to stockholders an increase in capital from \$7.5 million to \$10 million by transferring \$2.5 million from surplus to capital with payment of a one-third stock dividend. The vote will be Aug. 2.

One share of new stock would be distributed for each three shares now held, payable Oct. 15 to holders of Sept. 10. The new shares would participate in dividends declared after Oct. 1 though not in the dividend payable on that date. President John A. North indicated that directors hoped to pay 75 cents quarterly on the enlarged total of shares. The present rate is 85 cents.

The board felt that in this centennial year it was appropriate to capitalize a portion of the surplus accumulated over the years, Mr. North said, and the investment return from an expanding portfolio seems adequate to support the dividend outlay.

Freeport Motor Casualty Has Rally for Ill. Agents

Continuing its series of agency meetings, Freeport Motor Casualty staged a combination business session and golf outing at the Freeport Country club for northern Illinois agents. More than 250 attended.

Following a morning business session at which talks were made by various department heads, there was a luncheon address by Herbert Eichmeier, Dayton, O., attorney, who has made several trips throughout Africa.

The luncheon also was addressed by Paul F. Seitz, president, and William Landgraf, agency superintendent. Besides a golf tournament, there was special entertainment for the ladies in attendance.

Frick Chairman, Palmer President of Allied Mutual

H. C. Frick, president of Allied Mutual, Kansas City, has been elected to the newly created position of chairman of the board. L. V. Palmer was promoted from executive vice-president to president and treasurer, and James S. Helms, who joined the company in 1952, was elected vice-president and secretary, and was made a director.

Harry Owen, who is underwriting manager, was elected assistant treasurer, and S. B. Mumma, claims manager, continues as assistant secretary.

"CHOOSE YOUR COMPANY AS YOU CHOOSE YOUR FRIENDS"

STANDARD—UNIFORM

AN AGENCY
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RATED BY "BEST'S"
"A" + EXCELLENT

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SPECIAL RATES

WE INVITE AGENCY INQUIRIES IN ILLINOIS, INDIANA, IOWA, MINNESOTA AND WISCONSIN. CERTAIN TERRITORIES OPEN FOR AGENCY REPRESENTATION.

Time to Get Sales Story to Public Sheldon Tells IAC

Agents and companies alike have done a very poor job of telling their story to the public. This may be lack of advertising or bad public relations, or both, Walter M. Sheldon, vice-president of W. A. Alexander & Co., and past president of National Assn. of Insurance Agents, said at Insurance Advertising Conference at Montauk Point, N. Y.

Other speakers at the three-day conference were Ellis H. Carson, president of National Surety, whose talk will be reported next week, and Irving D. Bothwell, Commercial Union, president of IAC, who gave the administration report.

Dwight Ely of Ohio Farmers has suggested, and Mr. Bothwell said he concurred, that the conference should have a speakers bureau of members who will appear at agents meetings to tell the story of the IAC annual agent awards program. When necessary, the conference should arrange to pay expenses of such speakers.

Mr. Bothwell announced that Clark W. Smitheman of North America would be chairman of the 1954-55 awards competition.

Mr. Sheldon pointed out that a quick look at the business today reveals many situations indicating that agents and companies are not working together.

Some companies are trying to gain an advantage, while others are fighting to hold their position against the direct writer or specialty company. Commissions that appear to be on the high side are, regrettably sometimes being accepted. Deviation filings are too often being made. Agents are representing companies that have a certain price for their policies and, at the same time, other companies that offer the same policies at lower prices.

The need for improved selling is great. Agents and field men have been order takers in the lush years of the recent past, but the change in this respect is a healthy sign for the agency system.

Too often a special agent appoints a questionable agent and then isn't willing to train the appointee. These agents are the weakest link in the system and their business is easy pickings for the direct writer.

The one segment of the market agents can never touch is the individual whose normal premium payments, if he carried insurance, would be very small. He is the buyer of chain store merchandise and is interested only in insurance sold at a lower price over the counter. He is not accustomed to service and he does not expect it. He cannot see the value of the local agent's service.

But, Mr. Sheldon said, he does not advocate the abandonment of all but the carriage trade. He believes the majority of buyers appreciate, rely upon, and are willing to pay for agency service.

New and simplified methods must be found to merchandise insurance. But streamlining must be done only realistically, to eliminate uneconomic operations, red tape and useless effort. The challenge of modernizing merchandising methods must be ac-

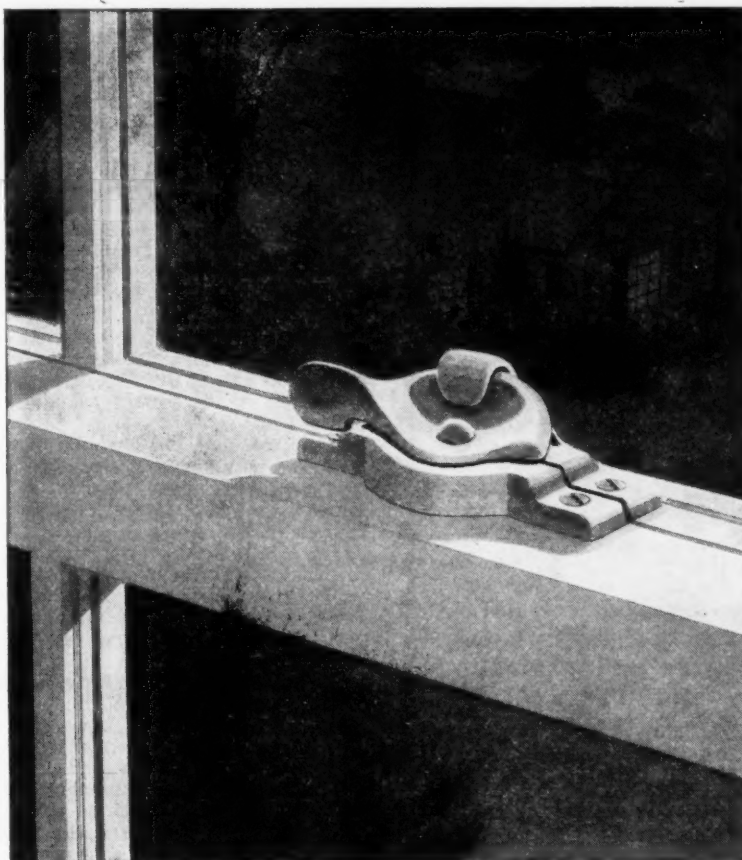
cepted by leaders in agency-company ranks. It must be accepted today. If it is, he believes that even with a smaller per cent of the premium dollar going to expenses, both agents and companies will have more dollars after expenses are paid.

He said he has discussed and proposed institutional advertising with many company officials. Some have agreed wholeheartedly, some with reservations, and some have opposed it. National Board has spent a great deal of money publicizing fire pre-

vention work, and Assn. of Casualty & Surety Cos. has conducted similar programs on accident prevention. But, the business derives astonishingly little public relations value from such efforts. The public doesn't know, and probably doesn't care, what National Board or the casualty association is. It doesn't even know the difference between fire and casualty insurance. All the public knows or cares about is that if they want insurance protection, they go to their agents to get it. It's as simple as that. So, he asked,

why not follow, in institutional advertising, the same pattern the agent presents in his own community relations. Institutional advertising should be advertising by and not of the institution.

The business as a whole should be advertised to make the public understand its many good aspects. Forget about the separate institutions and associations, he recommended. The important thing is the insurance story, not any particular group of companies.

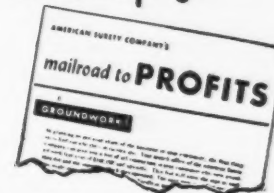


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AMERICAN SURETY company
Agency & Production Department
100 Broadway, New York 5, N. Y.

Please send me additional information about your sales aids and a copy of the current issue of "Mailroad to PROFITS."

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Address _____
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City _____ State _____

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Local newspaper advertising has an important place in many successful agents' programs. The local newspaper is indisputably an important part of community life. In its pages is an excellent place to advertise your agency regularly to your local market. Tie-ins with local happenings and events make good newspaper copy. Prize contests based on correct answers to questions, solving problems or riddles, and discovering veiled identities, places or objects, projected in the local newspaper, are effective. Supplemental value is found in the paper's editorial column, for free write-ups about your business.

Where local radio broadcasting is available, spot announcements or radio shorts are used by a growing number of agents. Varied and unique script themes can be devised with the aid of the local station.

The Commercial Union-Ocean Group makes available to the agents of its companies at all times, without cost to them, attractive and effective printed direct sales aids for the various lines of coverage. Our field representatives are prepared to consult with and assist agents about their advertising plans.

Commercial Union Assurance Company Ltd.
The Ocean Accident & Guarantee Corp., Ltd. American Central Insurance Company
The Commercial Union Fire Insurance Co. The British General Insurance Co. Ltd.
Columbia Casualty Company The Palatine Insurance Co. Ltd.
The California Insurance Co. Union Assurance Society Ltd.



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- NEVADA
- ARIZONA
- WASHINGTON
- OREGON
- IDAHO
- TEXAS

DESIRABLE AGENCIES WANTED
IN OPEN TERRITORIES

Cimarron Insurance Company, Inc.

CIMARRON, KANSAS



F. D. Eubank Defines Education, Relates It to Field Man, Underwriter

Those in insurance companies who have the responsibility for the education of field men and underwriters must consider their goal as one with long-range characteristics rather than primarily the immediate productive efficiency of the man with whom they are working, F. D. Eubank, director of education of Royal-Liverpool, declared at a meeting of Insurance Company Education Directors Society at Sky Top, Pa.

This philosophy stems from the fact that the home office education director's job consists of training in the broad sense, he said. Training in skills, techniques, facility of application and proficiency must be combined with "education" as it is defined by schools, which see it as a grasp of the "whys" and the "hows" of the business.

Although emphasis must be put on "training" because the primary objective is development of useful men, the work of the field man and the underwriter involves an understanding of the business and a comprehension of its individual parts and their functional relationships in the working whole, or "education".

The field man, for instance, must know the background of insurance so that he may relate what has been done in the past to changes that are occurring now and are likely to occur in the future. He should know contracts, both common and less common, and what is promised and not promised in each. He should know what the words in the contract mean and how the courts have interpreted them.

It is doubtful whether it is necessary to train underwriters in all lines, Mr. Eubank said, but every underwriter should have a good understanding of the "whys" of the business, and should know thoroughly everything about the type of insurance in which he will be working, whether it be casualty, fire or bonding.

The field man's education should consist of several months of actual work in a branch office, at which time he also should be supervised in the study of selected texts. Six months of intensive class work should follow, after which he should return to the field office and be taken under the wing of an experienced field man-trainer. In one or two years he should be able to take over a field of his own.

Class work for the underwriter should be much shorter, he said. Several months in a branch office should be followed by class instruction in a central training spot while he is working with an experienced underwriter in the office. Approximately four months, partly in class and partly on the job, should be sufficient to develop an underwriter in two or three years.

Talks on Salesmanship At General Agents Annual Conference

Salesmanship has no magic solution. If there is one job in the world that requires confidence, courage, faith, optimism, energy, hard work, good sportsmanship and above all, guts, it is selling. If a special agent does not have these qualities or the potential to develop them, get another man. This advice was offered at the annual convention of American Assn. of Managing General Agents at Old Point Comfort, Va., by Frank G. Gillingham, president of Southeastern General Agency at Coral Gables, Fla.

Basic fundamentals required in a field man are good personal habits and understanding. The general agent should provide a purpose for his field men by showing them how they can make more money; buy more life insurance, a car, a home; obtain a promotion; get a reputation as a top field man, and obtain security. When these fundamentals are complete, the general agent should assist his men in perfecting their presentation.

He should give them the data he wants covered, ask them to create their own sales talks and then have a session during which they practice the talks. Mr. Gillingham suggests the talks be tape recorded so the men may hear what they sound like and take steps to correct their errors.

The presentation must be smooth, unhurried, clear and concise; it should not be a discussion of fishing, golf or the weather.

Field men should also be cautioned that there is a time in every sales talk to shut up, not to oversell; to keep the talk full of his own enthusiasm and optimism; to get out the agency agreement where it can be seen and assume a positive attitude.

The field man must pick his prospects, see the right man, back up his talk with proof, encourage the prospect to talk, use the word why and profit from every interview.

Mr. Gillingham also suggested field men be as courteous to the office help as they are to agents, make calls before 9:30 a.m. and after 4 p.m., not to coast in the afternoon even if they make a sale in the morning, and think up new ideas both for themselves and the rest of the sales force.

American Universal Opens Home

American Universal has opened its new home office at Providence. It is two stories, air-conditioned, and offers 16,000 square feet of office space. President Maurice H. Saval led a tour through the plant.

New officers of Insurance Women of Columbus were installed at the last meeting. They are: President, Julia Loth; vice-president, Ruth Mider; recording secretary, Phyllis La Zarus; corresponding secretary, Audrey Bennett, and treasurer, Helen Theado.

MULTIPLE LINES

**THE
NEW ZEALAND**
Insurance Company Limited

United States Head Office
Since 1875
San Francisco

H. B. Masters, U. S. Mgr.

SERVICE BEYOND THE CONTRACT

Youngman Lists Agent's Opportunities Overseas, Sees Some Unhealthy Trends

There is a tremendous commission income available to the agent alert enough to participate in the overseas insurance market, William S. Youngman, president of C. V. Starr & Co., which owns American International Underwriters, told New England advisory board of New England Assn. of Insurance Agents at New Castle, N. H.

The premiums written in the U. S. on American-owned foreign operations was more than \$26 million in 1953, reflecting a significant increase over the years, and this premium is being handled today by less than 2% of American agents and brokers. This means, Mr. Youngman said, that fewer than 10,000 producers are realizing the income possibilities in this field and probably less than 1,000 are really capitalizing on it.

American investment abroad is not concentrated in the hands of a few big firms. The demand for American know-how, production techniques, etc., is daily bringing more and more small firms into this area. Competition is not as keen, and consequently profits are generally greater than can be made on similar work in this country—and often with less taxes to bear.

Manufacturers are establishing plants abroad to utilize cheap and abundant labor, and to develop the large, comparatively untapped markets. American salesmen roam the globe whetting the natives' appetites for U. S.-made products. The contractor who built in Boston yesterday is building in Borneo today. Almost all of these Americans, he said, want insurance and will look to their regular agent or broker to provide it.

Another source of considerable overseas premium is the increasing number of people traveling abroad. These individuals also are prospects for American insurance, in need of coverage for every personal risk they are accustomed to insure at home—automobiles, personal effects, personal property floaters, personal accident, personal liability, jewelry, fur and camera floaters, ocean marine, fire and life insurance.

The prospects in the foreign market also grow brighter when it is realized that American private investment overseas is estimated at \$16 million, representing controlling interest in business whose assets aggregate more than \$22 billion. The annual income therefrom is more than \$3 billion. In addition, the U. S. has been pumping billions of dollars into foreign economies. American business has increased greatly from this through the sales of goods and services.

While the past 30-odd years have seen the American insurance industry reach an important position in the world market, Mr. Youngman observed, it has not been easy-going and major problems still exist. Over the last few years there has been a growing nationalistic and socialistic trend, and many governments make it difficult for American companies to compete with the native ones. Mexico has been the most recent government to enact laws favoring the local companies. The U. S. has worked out a successful *modus operandi* there, but it might not be so fortunate in the next country.

In some countries the native companies are favored by the complete exclusion of foreign insurers and in others foreign companies must cede

reinsurance to government institutes, sometimes being discriminated against in retrocessions. Currently controls are also a major problem. Today AIU deals in approximately 66 currencies.

The speaker pointed out that Americans are target risks abroad. Foreign courts tend to class all Americans as wealthy and the urge to distribute some of their money to the local populace in case of a damage claim is almost ir-

resistible. In the past few years residents of foreign countries have become more claim-conscious.

This is part of the reason for the need on the part of American interests for American insurance. The American agent can tell them beforehand just what laws, insurance needs, etc., will be encountered in any part of the world, and can coordinate his client's overseas insurance program with that in force domestically. He can have forms tailored to meet the particular requirements of his client and by centralizing the overseas insurance pro-

gram he can guarantee the home office department a tight, safe control over their foreign protection.

He can further provide the vital continuity of coverage between ocean marine and shore risk by insuring both risks with one organization. The attaching of an ocean marine endorsement to a foreign automobile policy is a good, simple example of this, Mr. Youngman observed. Furthermore, an agent, by being unable to handle a simple overseas exposure, has opened the door to another agent to move in on the entire account.

YOU NEED THE RIGHT EQUIPMENT TO DO THE JOB...

That's why we are furnishing our producers with a new series of "Production for Profit" selling kits. To date, two of these kits are available . . . one on Fidelity & Surety, another on Accident & Health.

To show our producers how to make money with these kits, we are conducting HOME STUDY COURSES, using the kits as texts. Producers who successfully complete the courses will receive Certificates of Merit. The first course, on Fidelity & Surety, is now under way—the second, on Accident & Health, will start soon.

If you are interested in getting more business from your present clients . . . adding new clients . . . becoming a professional insurance counsellor, you are a candidate for these HOME STUDY COURSES. The coupon will bring you full information.



Fireman's Fund Group
FIRE • AUTOMOBILE • MARINE • CASUALTY • SURETY • FIDELITY
REINSURANCE

Home Office: 401 California Street, San Francisco 20, California
Departmental Offices: San Francisco • New York • Chicago • Boston
Atlanta • Los Angeles • Seattle • Toronto

FIREMAN'S FUND INSURANCE COMPANY
FIREMAN'S FUND INDEMNITY COMPANY
HOME FIRE & MARINE INSURANCE COMPANY
NATIONAL SURETY CORPORATION
NATIONAL SURETY MARINE INSURANCE CORP.



Advertising Department, Fireman's Fund Group
401 California Street, San Francisco 20, California
Please send me information about HOME STUDY COURSES.

Name _____
Address _____
City _____ State _____

"MUTUAL OF OMAHA"



A HOUSEHOLD WORD

Here's Why:

HUNDREDS OF RADIO STATIONS . . .

Featuring favorite radio personalities, have brought Mutual of Omaha's friendly messages into practically every American home. This has continued month after month . . . year after year.

NATIONAL NETWORK T-V PROGRAMS . . .

have brought famous T-V stars right into the living rooms of most of the T-V equipped homes of the country, to introduce Mutual of Omaha. Thousands of interested folks have written for information.

NEWSPAPER AND MAGAZINE ADVERTISING . . .

have reached more millions of people to tell them about Mutual of Omaha's FAMILY SECURITY PLAN. Some of Mutual of Omaha's magazine campaigns have received national awards for outstanding public service.

MILLIONS OF DIRECT MAIL PIECES . . .

stream out from the home office as well as from 300 local offices. This informational material is distributed, year after year, to make still closer the tie between Mutual of Omaha's national campaigns and its local representatives.

JOIN THE PACEMAKERS!

Mutual of Omaha took the lead years ago in the individual accident and health insurance field. There's unlimited opportunity for you . . . if you are qualified . . . representing Mutual of Omaha . . . THE LARGEST EXCLUSIVE HEALTH AND ACCIDENT COMPANY IN THE WORLD. Write today to Agency Department.

Mutual
OF OMAHA



MUTUAL BENEFIT HEALTH
& ACCIDENT ASSOCIATION
HOME OFFICE: OMAHA, NEBR.
CANADIAN HEAD OFFICE: TORONTO
V. J. SKUTT, President



★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ COMPETITION ★ HAS RETURNED!!!

ARE YOU PREPARED TO MEET IT ? ? ? ?

Increase your VOLUME by safely reducing the premium cost.

SELL THE PERKIOMEN NON-ASSESSABLE POLICY.

To ALERT AGENTS who are looking for the best way to realize their maximum potential, WE URGE YOU TO WRITE US TODAY.

PERKIOMEN MUTUAL INSURANCE COMPANY Collegeville, Pa.

Rated A+ by Alfred M. Best Company, Inc.

Admitted in—Arkansas, Delaware, Florida, Georgia, Kentucky, Maryland,
North Carolina, Oklahoma, Pennsylvania, South Carolina,
Texas, Virginia and West Virginia

83 Years of Friendly Service

Wait Attorney General's Opinion on Collecting Back Premium Tax in Ind.

INDIANAPOLIS—The decision on whether or not the Indiana department will try to collect back taxes on fire premiums from inland marine companies will be based on a decision by the state attorney general, according to Commissioner Harry Wells. The attorney general's office is now studying the tax and will advise the commissioner on whether or not he is on the right track in trying to enforce it.

The tax, enacted in 1913, is a levy of three-fourths of 1% against premiums collected for the fire portion of inland marine policies, to be used for the support of the fire marshal's office. It has not been enforced in Indiana, although it is understood that six other states are collecting a similar tax.

The fact that the back taxes have not been collected created quite a stir in the Indianapolis press, and, according to Mr. Wells, accounts as to the amounts of money and number of companies involved were greatly exaggerated. Actually, if the attorney general's office decides that the tax can be enforced, about 200 companies writing inland marine insurance in Indiana will be affected.

General, Wash. Issued CPL Broadening in 1951

The story in the issue of March 25, page 39, dealing with the fact that American States has brought out voluntary property damage coverage in connection with its comprehensive personal liability policy, could give the impression that that company was the first to offer such coverage. The article states that "the coverage was developed by R. E. Tolan, vice-president," etc.

General Casualty of Seattle calls attention to the fact that it announced to its agents Jan. 15, 1951, voluntary property damage for personal liability insured. This is substantially the same coverage as was brought out this year by American States. At that time General Casualty stated that to the best of its knowledge the coverage had not been presented to the public before and that it was doing so to fill a gap by affording coverage that takes care of a moral obligation when there is no legal liability. Its bulletin to agents cites the case of damage caused by a youngster, such as a broken window, burning of a neighbor's garage, the breaking of a borrowed bicycle, etc.

Great American Names Smith Special in Texas

Charles W. Smith has been named special agent in north Texas by Great American to succeed Herbert West. His headquarters will be with State Agent Harry H. Hauke at 1215 Mercantile Securities building, Dallas.

Mr. Smith started his career in the rating division of Texas Board of Insurance Commissioners in 1936, was special agent of America Fore group and also has been a local agent.

Willse Named in Mich. Field by Loyalty Group

Harry S. Willse has joined Firemen's and Girard of the Loyalty group as special agent in Michigan where he will assist state agent Floyd Buschlen, with headquarters at Jackson.

Mr. Willse started in insurance with Middle Department Assn. of Fire Underwriters, and subsequently had field experience in the east and middle-west.

B. L. Hewett, vice-president and agency supervisor of Michigan Millers Mutual Fire of Lansing, has been elected a director to replace the late A. D. Baker.

HE'LL know
the answer
—I'll call
him



Your PACIFIC NATIONAL Fieldman knows the answers to many problems.

His experience and specialized training . . . and, through him, our Home Office facilities . . . are yours to command.

It's a good policy to take full advantage of this time-tested service.

And it's a GOOD POLICY
for both Agent and Assured
that bears this seal



**PACIFIC
NATIONAL
FIRE INSURANCE
COMPANY**

HOME OFFICE • SAN FRANCISCO
FOREIGN DEPARTMENT • NEW YORK, SAN FRANCISCO
EASTERN DEPARTMENT • PHILADELPHIA
WESTERN DEPARTMENT • CHICAGO
SOUTHERN DEPARTMENT • ATLANTA
INTERNATIONAL FACILITIES
WORLD-WIDE SERVICE

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IAC Advertising Use Winners Led by T. E. Wood of Cincinnati

Winners in the best use of advertising competition of Insurance Advertising Conference, as announced in April, were honored at the annual meeting of the conference at Montauk Point, N. Y. Grand award went to Thomas E. Wood, Inc., Cincinnati. Other winners in the premium volume classifications are Raymond Denomme of Danielson, Conn., less than \$25,000 premium volume; Thomson agency, Wrens, Ga., \$25,000 to \$50,000; Herb Vesler, West Allis, Wis., \$50,000 to \$100,000; Roger Clarke of Fredericksburg, Va., \$100,000 to \$250,000; and Latham-Stevens, Co., Harrisburg, Pa., more than \$250,000 premium volume.

By achieving the grand award, Thomas E. Wood agency received a bronze statuette and its representative, Leslie C. Graham, received an expense paid trip to the conference. The exhibit submitted by the agency included regularly published newspaper advertisements, radio and television ads, bill board examples and direct mail.

The class 1 winner, Raymond Denomme, started his career in 1949 and opened his agency in 1952. His exhibit included copies of his weekly column in a local newspaper, examples of civic and community activities, advertising material such as monthly pictorial magazines sent to centers of influence, calendars, house-to-house distribution of flyers, institutional ads, posters, pencils, blotters, distribution of fire and accident prevention posters, sponsorship and prize awards to winners in school essay and poster contests, motion picture showings to schools and adult groups, personal greeting cards to clients and prospects and presentation of safe driver awards.

Herb Vesler centers his civic activities around the Lions club, Y.M.C.A., American Legion, Disabled American Veterans and Old Time Baseball Assn.

The Roger Clarke agency has received the top award in its class for the second straight year. Its advertising and direct mail is personalized and the most popular piece is the folder "Know Your Insurance Agents" containing pictures of the agency's principal agents. In cooperation with a local bank, the agency distributed 500 automobile credit cards to residents of Fredericksburg and, as a result, received enough business to more than pay for the expense. The agency believes newspaper advertising is the best media and uses a distinctive trademark for its advertisements as well as its stationery, policy stickers, statements and business cards. For a direct mail campaign it designed a personalized blotter. In another, it made a survey of clients' coverages and recommended, in a personal letter, further coverages and limits they should have. Another direct mail campaign on extended medical payments coverage also produced good results.

Latham-Stevens Co. also won honorable mention last year. Both campaigns were designed by a Harrisburg advertising agency.

Honorable mention in the competition, according to premium classifications, went to David I. Checkoway of Newburyport, Mass., and Ferguson agency of Sheridan, Ind., class 1; Ludwig F. Stoor of Crystal Falls, Mich., F. A. Kandutsch of Park Falls, Wis., Marshall Paris of Bothell, Wash., and Len Eckman of Pitman, N. J., class 2.

Also, Tom Bartlett of North Balti-

more, O., Jack Safley of Temple, Tex., Charles H. Weinbaum of Beaumont, Tex., Zean Gassmann of Olney, Ill., and Berry agency of Murray, Ky., class 3; Barton F. Sharp & Son of Bridgeton, N. J., Julian B. Hopkins of Columbus, Miss., and Bob Kraus of West Milton, O., class 4; and Dawson & Feek of Seattle, and Norman Hobard of Kansas City, class 5.

Education Automobile of Fort Worth has been licensed in Oklahoma. C. E. Gage of Oklahoma City is special agent.

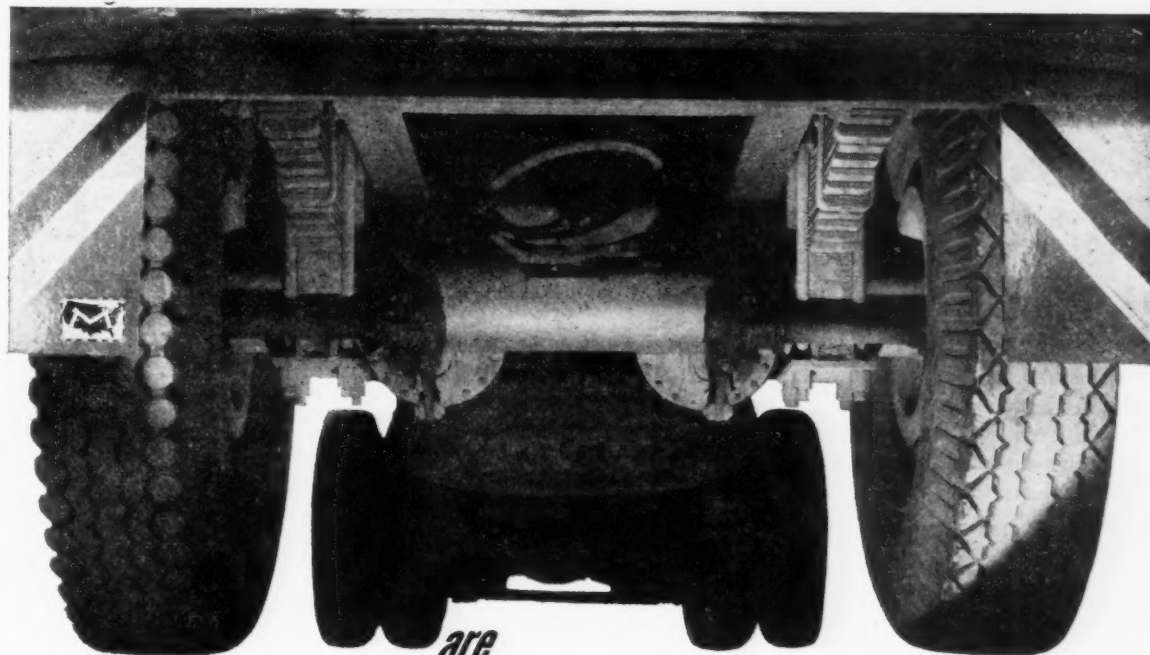
Indiana Ins. Co. Names Seven

A number of new officers have been elected by Indiana Ins. Co. John T. Hume, Jr., becomes vice-president and superintendent of claims; G. Emerson Newhouse is vice-president and superintendent of agencies (and is also vice-president of Cooling, Grumme & Mumford general agency); Charles E. Mohr becomes assistant secretary and manager of automobile underwriting; and Albert W. Thiel is assistant secretary and manager of fire underwriting.

ing; Donald F. Laird is assistant secretary and manager of marine and casualty underwriting. Walter H. Voorhies is now assistant treasurer and comptroller, and Ivan B. Mumford, who is with Cooling, Grumme & Mumford, becomes assistant secretary in the casualty underwriting department.

J. R. Caffrey Named

John R. Caffrey has been made a member of the Chicago law firm of Clausen, Hirsh & Miller.



are
you
passing
over
easy extra profits?

*Markel truck and bus insurance
is simple to sell . . . and you don't
concern yourself with service details.*

Agents — this makes good sense. It's easy to make valuable contacts in the bus and trucking industries.

You simply offer them the facts about Markel Service.

You don't have to sell. Markel is KNOWN by every operator in the transportation business. No technical experience is necessary. You simply establish the contact . . . then Markel experts take over completely leaving you free for further prospecting.

It's long-range profits too because records prove that assured's renew automatically year after year.

Don't pass over this easy way to extra profits.

Mail the coupon today and you're on your way!

MARKEL SERVICE INC.

HOME OFFICE: Richmond, Va.

"Eliminates The Cause To Eliminate The Accident"

Exclusive Underwriters for the

American Fidelity & Casualty Company, Inc.

The largest stock company in the world specializing in motor carrier coverages.

Why it's easy to sell MARKEL truck and bus insurance

- 24 hour engineering service along insured's route
- Day and night claim service
- Safety meetings for driver personnel
- Research program on safety methods and devices
- Non-profit Washington Bureau for assured's use
- Award system for safe drivers
- Lower premiums based on loss experience
- Mechanical inspection of rolling stock
- Highway driver-checks by camera equipped cars
- Traffic-hazard report service

No risk too small—single unit or fleet operations

MARKEL SERVICE, INC.

Richmond, Va., Dept. NU 6

Gentlemen: Yes, I am interested in selling this kind of coverage. Without obligation, send me at once all the details on Markel Service and the 10-Point Plan to Profits.

Name _____

Address _____

City _____ Zone _____ State _____



Look for this symbol of safety on America's trucks & buses

"Our Insurance Man Will Know"



It happens every day—an important business conference, a new project involving money, materials, problems—the business executives figure all the angles including material costs, labor, time, shipping, sales costs.

But when it comes to insurance, they call in their insurance expert.

You are the "Executive in Charge of Insurance"—and your skill and knowledge can be backed up by the facilities of the Saint Paul Companies.

THE AGENCY SYSTEM — AN AMERICAN TRADITION



HOME OFFICE
111 W. Fifth St.
St. Paul 2, Minn.

EASTERN DEPT.
90 John Street
New York 38, N. Y.

PACIFIC DEPT.
Mills Building
San Francisco 6

Members, American Foreign
Insurance Association,
offering world-wide insurance facilities.

ALBUQUERQUE
OKLAHOMA CITY

ATLANTA
ST. LOUIS

DALLAS

DENVER

SEATTLE

NASHVILLE

PORTLAND

UNIVERSAL INSURANCE UNDERWRITERS

operating as

Homer Bray Service

in

Washington, Oregon, Texas, Georgia, Alabama & Florida

The Universal Insurance Underwriters is merely a Managing General Agency, holding automatic quota share and excess treaties in a pool of stock companies, for writing certain hazardous line coverages. We write no direct business, but operate strictly through agents. We were organized in 1949, and have confined our writings more or less to States West of the Mississippi until recently. We are in a position to file in all 48 States, Canada and Alaska. Except for Massachusetts, we will consider agreements with local agents any place in the above territory. Retained limits \$100,000/300,000/100,000 on all lines except gasoline, butane and explosives. On gasoline and butane, \$50,000/100,000/50,000. We do not solicit local operations written by domestic companies, except for butane. We solicit long haul operations for B. I. & P. D., Medical Payments on:

M.C.L.
BUTANE
AMMONIA

LONG HAUL
OIL FIELDS
EXPLOSIVE HAULERS
BEAUTY PARLOR MALPRACTICE, LAWYERS, DOCTORS MALPRACTICE IN SMALL TOWNS

LLOYDS
PRODUCE
PRODUCTS
HAUL AWAY
LIVE STOCK
HOUSE MOVERS

BUSSES
GASOLINE
COMP. GEN.
DRIVE AWAY
U-DRIVE-IT
GRAIN HAULERS

Box 1008

Albuquerque, N.M.

Phone 3-4561

Speedy Hospital Diagnosis Urged for WC Cases

Commerce and Industry Assn. of New York has released a report by Dr. M. William Zucker, director of studies and secretary of the association's special committee on workmen's compensation, who suggests a program of early referral to assigned hospitals for diagnosis of WC injuries.

Emphasis on disability and the payment of awards is paradoxically hampering full utilization of rehabilitation, Dr. Zucker observes, and long-delayed referral for proper diagnosis and treatment may render a claimant incapable of rehabilitation. The fact that an employer or insurer in New York cannot remove a case from a treating physician without preferring charges intensifies the problem.

He urged prompt and accurate diagnosis of the extent and severity of the injury, proper evaluation of the convalescence, and emphasis on the residual capabilities rather than the disabilities of the patient.

Under his plan the attending physician would be required within 60 days after the disability occurs to refer the claimant for diagnosis to a voluntary non-profit hospital or medical center. A report would be filed promptly with the physician and the workmen's compensation board would get copies in duplicate, transmitting one to the employer or insurer. Following this evaluation the claimant would be referred back to his attending physician who would authorize any treatment. All costs, including transportation, board and lodging, fees and x-rays and other tests would be paid by the employer or insurer.

While the evaluation report and its recommendations would not be binding on the claimant's physician, the employer or insurer could object to and would not be liable for subsequent medical care for procedures other than those recommended unless, after a hearing, the WC board finds them appropriate. Subject to the board's decision otherwise, refusal of the claimant to submit to the recommended treatment or of the attending physician to make the referral requested would be deemed unreasonable and bar recovery

of compensation during the period of the refusal.

An important by-product of this program, Dr. Zucker pointed out, is that early in the treatment the attending physician's own diagnosis and prognosis can be corroborated and evaluated. Development of community hospitals as one stage of the proposal would place facilities close to the claimant and speed prompt referral of his physician.

Dr. Zucker's report will be included in *Studies in Workmen's Compensation* to be published soon by the association.

New Aetna Casualty Safety Film

A new color movie on canoe safety has been released by the public education department of Aetna Casualty. It stars Olympic champion Steve Lisak, who demonstrates how to board a canoe, the safest paddling position, various strokes, bailing out a canoe, and the proper way to beach and store it. This is one of 26 educational safety films distributed by the company on a free loan basis.

North Dakota Fire Prevention Assn. inspected Lidgerwood recently, with about 25 field men participating.

Miss Amelia Anthony, founder of Girls' Town, U.S.A., near Amarillo, Tex., was a luncheon guest of the Insurance Women of Galveston.

The Constitution Insurance Corporation



REINSURANCE

FIRE and ALLIED LINES

Henri G. Ibsen
President

90 JOHN STREET
NEW YORK 38
NEW YORK

N. Y. Transit Policy Given Lloyds After Rejection in U. S.

New York City Transit Authority had contacted all large domestic insurers writing liability before placing an excess liability insurance policy with London Lloyds, Schiff, Terhune, New York city brokers, which placed the business, has announced. The authority also was questioned by Greater New York Brokers Assn. as to whether it had exhausted efforts in the domestic market.

Schiff, Terhune said it had purchased the coverage "in compliance with all the laws and requirements of the state of New York" after an extensive survey of about a year.

Domestic insurers, the firm said, advised it that they were not in a position to write the business. It then negotiated with Lloyds and after a period of several months arrived at "a most advantageous figure."

The insurance covers all the operations of the transit authority. It is in the amount of \$5 million with \$100,000 deductible in the case of injury or death to one person and \$300,000 deductible for injury or death to more than one person in a single accident. There is \$100,000 deductible in the case of property damage. Estimated annual cost is \$180,000.

The brokers' association denied a report it had urged immediate revocation of the Lloyds policy and replacement of the coverage in domestic companies through competitive bids.

O'Rourke Promoted by Atlantic at St. Louis

Robert J. O'Rourke has been appointed manager at St. Louis by Atlantic companies. He has been inland marine manager for the companies there since 1951. Previous to that he was with Continental Casualty in Chicago.

The St. Louis office is under the jurisdiction of the midwest division managed by Robert M. Perce at Chicago.

Bike Rodeo Sponsored by Nashville Agents

Insurers of Nashville sponsored a bicycle rodeo for boys, believed to have been the first such event east of the Mississippi river, to stress safe riding, attention to signals and the necessity for skill in handling any mode of transportation.

J. R. Jackson, Jr. president, Morgan Reynolds, director and public relations manager of the group, and Nolan Puckett, chairman of Tennessee Safety Council were judges.

New Mo. Reciprocal

A new reciprocal to write automobile and disability coverages, Eagle Reciprocal Exchange, has been formed at Kansas City. It intends to go after business hard to place under the financial responsibility law.

Kentucky Agents Set Annual

Kentucky Assn. of Insurance Agents has scheduled its annual convention for the Kentucky hotel, Louisville, for Nov. 21-23. Director's meetings and registration of delegates take place on the 21st.

Ill. Mutual Wins Safety Award

Illinois Mutual Casualty has been named a winner of the National Safe-

ty Council's 1953 public interest award presented annually for exceptional service to safety. Illinois Mutual won the award based on its radio program "It Can Happen To You", featuring actual accident case histories taken from the Peoria police files.

Murray Named Marine Superintendent Fire Assn.

Archibald Murray has joined Fire Association and Reliance as marine superintendent. He entered the business in 1935.

Auto Manufacturers, Insurers Plan Joint Attack on Unsafety

At a meeting in Detroit during the commissioners' convention, representatives of automobile insurance writing companies and motor car manufacturers discussed the need for combining their traffic safety efforts.

It was decided to appoint a committee of representatives from both fields to outline a program. Four members will be appointed by insurance, with

Assn. of Casualty & Surety Cos., American Mutual Alliance, National Assn. of Independent Insurers and National Automobile Underwriters Assn. participating and four members will be named by the automobile manufacturers.

44 With Liberty Mutual 25 Years

Liberty Mutual inducted 44 employees into its Quarter Century Club at a meeting in Boston. Herbert J. Schwartz of Needham Heights, Mass., was in charge.

In a DECORATING DILEMMA?

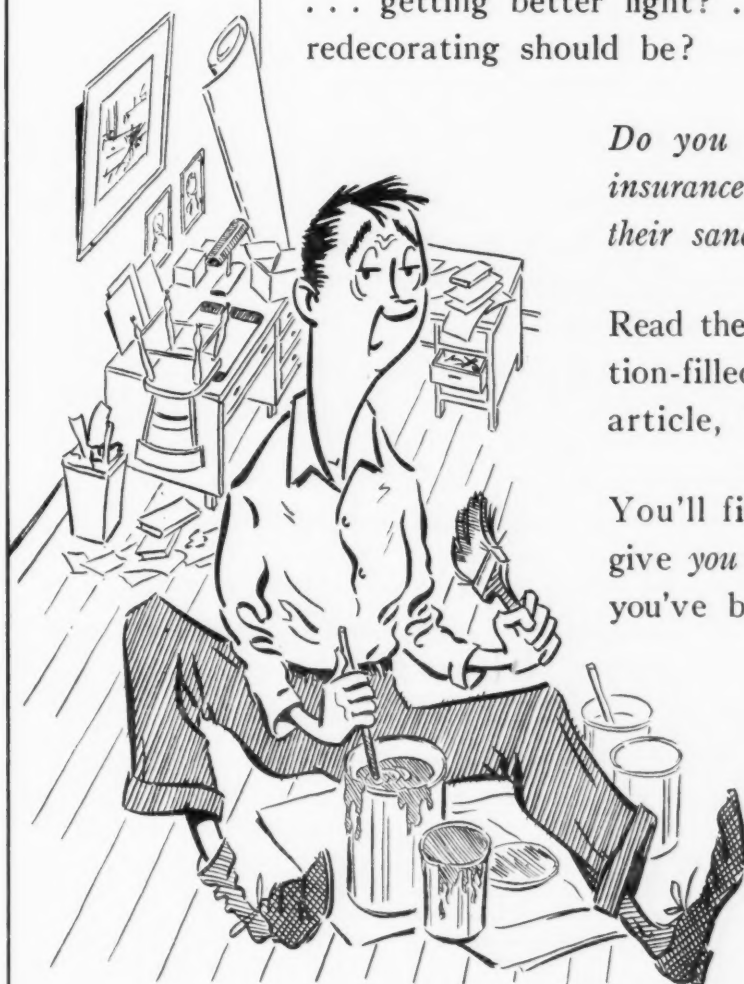
Beseiged, bewildered, confused about colors? . . . rugs? . . . making your office look bigger? . . . getting better light? . . . how extensive redecorating should be?

Do you wonder how other insurance men are remodelling their sanctum-sanctorums?

Read the descriptive, suggestion-filled, Hartford Agent article, *What's New?*

You'll find hints that may give you the decorating idea you've been looking for!

Don't delay. Drop us a line for your free copy TODAY!



Hartford Fire Insurance Company
Hartford Accident and Indemnity Company
 Hartford 15, Connecticut

NAIC OKs Vigorous Action on A&H Complaint Sources

(CONTINUED FROM PAGE 1)

close the major limitations of such policies. Also, that individual policies state on the first page whether they are subject to cancellation or renewal at option of insurer. Individual policies shall contain a provision or form attached which fixes a period during which the policyholder shall read his policy and have the right to surrender it, setting forth the conditions under

which he may surrender it and his rights upon such surrender.

The resolution also commends the insurance business for the educational program undertaken to implement existing statutes and department regulations. It is urged to continue these efforts, along with enforcement of the code of ethics initiated and promulgated by substantial segments of the A&H business.

The second resolution urges adoption of adequate unfair trade practice acts and reciprocal unauthorized insurers

acts, by states that do not have them. These have been urged before by NAIC.

The third resolution calls for legislation, either through adoption of the uniform individual A&S policy provisions law or otherwise, which would bar denial of claims based on contention of pre-existing diseases. This is after three years, except for fraud, in the standard provisions bill.

Mr. Martin made an earnest plea for his proposals. He pointed out that study shows the areas covered in them are



Commissioner and Mrs. Joseph A. Navarre of Michigan, pictured by Harry Fuller of the National Bureau at the Detroit NAIC meeting. Mr. Navarre was the host commissioner.

ARE YOU TALKED ABOUT?

When insurance men are gathered together informally, it is not uncommon to hear one of them say of a company he does not even represent that it is "live;" "aggressive;" "going places;" "doing a good job," or "on its toes."

How does he know? He has had no direct contact with it. In many such instances, he has no definite, concrete facts. He "thinks," or he "believes," or he has "heard." In other words, he has formed an impression that is favorable, but he is unable to explain or remember just how he came to such a conclusion.

One thing is certain—enthusiastically good opinions are seldom formed of a company that does no advertising in the insurance papers. Such a company, seeming to have nothing to say in its own behalf, is most unlikely to be regarded highly by those in the business who never see its name mentioned in any of the advertisements they read.

The publicized, advertised company, the one that invests time and money in making itself well and favorably known, is the company that is talked about and commented on, and that finally in this way achieves more than a small measure of esteem outside of its own agency organization.

There is in fact no other effective way of doing it. If you want to be talked about on the "up" side, say something about yourself through a series of advertisements in, for instance, The National Underwriter. The advertised company invites, perhaps even compels comment about itself. The non-advertising company asks for nothing, and that is just what it gets.

The NATIONAL UNDERWRITER

Largest Circulation of Any Weekly Insurance Newspaper



Number fifteen of a series.

the most fruitful sources of complaints by the public. The average policyholder believes he is acquiring a policy which will continue indefinitely if he continues to pay the premium. The fact that this is not so is a big source of complaints. The public is better informed on fire and casualty; there it knows the policy is for a term and then terminates, renewal being voluntary with insurer. The fact that much A&H is sold by life companies contributes to the misunderstanding about A&H termination, since life policies are indeterminate.

Also, in many instances the prospect's first exposure to the A&H policy is through advertising. Consequently there should be close control at that point to reduce the possibility of misunderstanding.

He said he believed that there are presently on the statute books enough laws to control the agent and his activities with respect to A&H sales.

The business indicated its support of the objectives of the proposals in statements by John P. Hanna of H&A Underwriters Conference, Joseph A. Follman, Jr., of Bureau of A&H Underwriters and B. M. Anderson of Connecticut General Life, who spoke for the joint A&H industry committee recently constituted.

Bernard Stone, former Nebraska commissioner, said he could not agree with Mr. Martin's apprehension that FTC is going to move immediately into the regulation business in those states which do not have unfair trade practices acts. The contention of FTC is that in a state which does not have such a law no one controls the company operating in the state without a license. Mr. Stone is convinced that the domicile state does have control. He said he hoped commissioners won't abdicate the jurisdiction they have.

Berkeley Cox of Aetna Life said he did not want to see steps taken which would hamper continued experimentation in the A&H field. The problems in the field are not new but what is new is that major elements of the business have united—casualty and life—and the hope now is that the industry and NAIC can join up in tackling the problems.

Moses G. Hubbard, Commercial Travelers of Utica, representing International Federation of Commercial Travelers Companies, said 95% of the public knows it is getting cancellable insurance because agents tell them so. Most by-mail insurance gives that information. He believes that if policyholders don't read their policies they don't read the first page. More and



The late Robert Barrett, Illinois insurance director, photographed by Harry Fuller of the National Bureau, at the Detroit meeting of NAIC with Thomas Shortall, executive vice-president of Emmeo.

more has been going on the first page. It now has whether assessable or non-assessable and whether limited or not limited. Now the commissioners want to put on whether cancellable or not cancellable. Pretty soon there will be so much on page one no one will pay any attention to any of it.

The way to solve the problem is for a committee of the industry and the NAIC to formulate rules and regulations not recommended on five minute notice.

Mr. Martin said the legislation recommended by the first resolution has just been passed by the Louisiana legislature. As to the second resolution, Mr. Hubbard rejoined, the commissioner can control his companies if he has his heart in the matter. The resolution would affect good companies like his, he said. Passage of such legislation would imply that his companies are meretricious. All mail order business is less than 2% of the total A&H in the country. His own company does about half the business done by all mail order companies and does a good job. The resolutions would hamstring and crucify the companies that are doing a good job.

John Lange, associate general counsel of Assn. of Insurance Advertisers, said that ousting of FTC jurisdiction requires multiple state action. The theory that if a company is licensed in one state and writes business in another it must be regulated by both states is a dangerous one. If uniform fair trade practices act is in effect in all states and enforced, the unauthorized insurers act is not needed to eliminate the FTC from the field of regulation. A large part of insurance transactions are in states where insurers are not licensed because of the mobility of policyholders.

Pansing of Nebraska said resolutions 2 and 3 were redundant because NAIC already has urged them. He doubted the wisdom of stirring up a hassle over items already proposed. No. 1 seems to him an 11th hour effort. The resolutions are aimed at legislatures, which won't convene until next January, so there is no hurry. He thinks a patchwork approach to the problem of A&H criticism is a poor one, and expressed hope that the industry and NAIC will come up with a full program. The resolutions are paint on scratches when the auto needs a complete paint job.

Deputy August Pryatel of the Ohio department said Ohio favors the Martin resolutions and related what Ohio

has done with respect to A&H regulation.

It has adopted four rules and has more in mind. The Martin resolutions don't go far enough, he thinks. He mentioned that newspapers had carried some vigorous stories about A&H in his state. The four rules are:

Any A&H advertising must carry the policy number which is the same as the one on file in the department so the latter can pinpoint complaints.

In connection with every complaint the department requires an affidavit. Often by this point insurer has reached

insured. But the department subpoenas the complainant, anyway, and follows through on the complaint, gets the evidence, etc.

The department has started a separate register of all complaints, the names of the companies involved and the kinds of complaints.

Non-payment of claims may be directly related to loss ratios so the department now is asking for three year loss ratio figures to see if there should be rate regulation of A&H. Also the department expects to be able to de-

termine if Ohio citizens are paying for claims arising in other states.

He does not believe Ohio statutes are stiff enough. They permit the state to tell a company to stop using misleading advertising, but what about the people that believed the advertisement? The company then can feature another part of the policy, the department can say "stop", and this might continue through all the parts of the policy.

He thinks use of the term "cross" in certain cases may lead to misappre-

(CONTINUED ON PAGE 32)



American Pioneers

In 1792, Captain Robert Gray discovered the great river of the Northwest which now bears the name of his ship . . . the *Columbia*. He thus established a claim to the vast Washington-Oregon territory which finally permitted our national expansion to the Pacific. This venturesome pioneer . . . a native of Rhode Island . . . also was the first to carry the American flag around the world.

In this era of progressive enterprise, the Providence Washington was founded . . . a pioneer in providing progressive protection.

Join with the thousands of agents who now provide dependable insurance protection in their communities through Providence Washington . . . the oldest stock insurance company in New England.

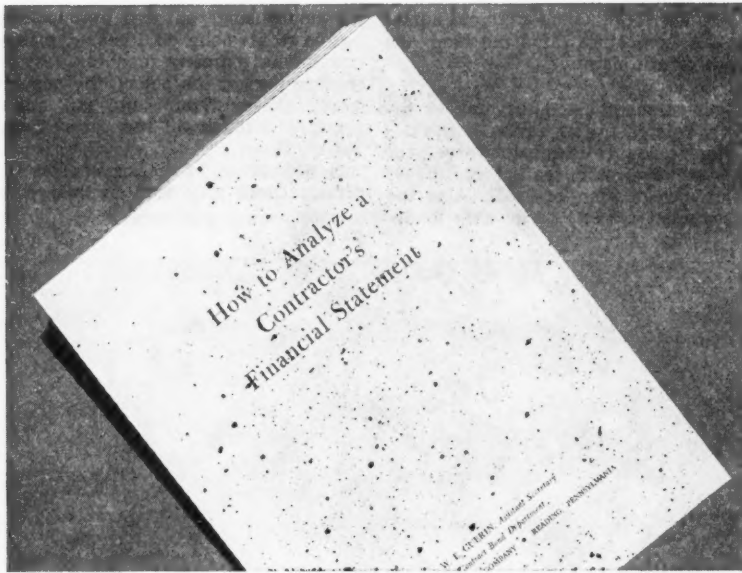
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Here's a booklet, written by a contract bond specialist for agents who are interested in contract bond business. It removes the mystery and confusion from an important phase of bond underwriting... tells just how to "read between the lines" of a financial statement to get a true picture of a contractor's working capital. One agent says: "It gives clearly and precisely the information so many agents want to know but are unable to learn because of lack of data on the subject." Another writes: "One of the most understandable and constructive articles I have read on this subject in many years."

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Upper Peninsula Agents Elect Lieberthal

COPPER HARBOR, MICH.—Lewis J. Lieberthal, Ironwood, was elected president of Upper Peninsula Assn. of Insurance Agents at the annual meeting here last week. The two-day convention attracted a registration of 130 agents, company men, and state association and Michigan department officials.

Mr. Lieberthal succeeds T. J. Jacka, Laurium, who presided at the sessions. Other new officers are: Vice-president, Harold E. Snyder, Iron River, and secretary-treasurer, Chester J. Nettell, Crystal Falls.

It was decided to hold the next annual meeting at Kings Gateway, Watersmeet, on the Michigan-Wisconsin border.

The fact that Michigan agents are well organized minimizes problems, Urban Krier, assistant manager at Milwaukee for U.S.F. & G., said in his keynote address. He said companies also are well organized, citing the fact that his own company belongs to 11 separate organizations, but lack of organized activity between the leaders of company and agents' organizations creates most of the difficulties encountered by the industry. He said there seems to be steady improvement, however, in this area but there is still too great a time lag before joint organization action is achieved.

Harry E. King, Calumet, president of the Michigan association, was honor guest at the convention banquet. W. O. Hildebrand, secretary-manager of the Michigan association, praised him for his long service, since 1941, on the state executive committee.

Mr. King said his activity as an association executive had brought him a knowledge of certain phases of the business he could not have obtained without the many contacts with top company and agency people which naturally arose out of the organizational work.

Sen. Leo H. Roy, Hancock agent and chairman of the Michigan senate insurance committee, said he foresees eventual passage of a disability benefits bill in Michigan in explaining his own support of such a measure during the past legislative session. The bill died in committee. He told the upper peninsula group, however, that "such a law is inevitable and therefore we should do all we can to channel the coverage 100% into private industry, eliminating the threat of government-operated funds".

Mr. Hildebrand, who served as moderator at a discussion session,

contended the industry should do its utmost to make such a law unnecessary by pushing efforts to provide adequate coverage for virtually the entire population. He said he could not go along with Sen. Roy in supporting any form of compulsory insurance.

Ralph Medlyn, Calumet, president of the Houghton County association, was arrangements chairman and F. D. Seeber, Houghton, served as program chairman.

N. Y. Rates for WC Down 8.3% July 1

NEW YORK—Workmen's compensation rate levels will be reduced in this state approximately 8.3%, effective July 1. This is after giving effect to the increase in benefits to \$36 a week in disability cases and \$40 a week in death cases. The material changes in medical and claims procedures recently instituted as a result of the Moreland act commission's recommendations will also produce savings. The total effect will be an annual reduction of some \$42,500,000.

The percentage changes in manual rate levels for principal industry groups are manufacturing 8.4%; contracting 9.8%; federal 5% servants 3.2%; laundries (no machinery), window cleaning, barber and beauty shops 9.7%, and all other 7.8%. There are 34 manufacturing classes for which rates were increased, 341 decreased and 22 unchanged; seven contracting classes increased, 75 decreased, and one unchanged.

Superintendent Bohlinger directed New York Compensation Rating Board to submit a program for elimination of wide fluctuations in the rate level. He observed that in the most recent five year period one year showed a 15% underwriting loss while another year showed a 17% underwriting gain.

The Moreland act commission is continuing its study of the cost of WC in the state, a study which includes rate making procedures.

Lincoln Elects Wilson

Lincoln Assn. of Fire & Casualty Agents elected Reese D. Wilson, Wilson agency, president to succeed Lawrence C. Coy, Coy agency. Don F. Newville, C. C. Kimball Co., was elected vice-president and Leo J. Beck, Jr., secretary-treasurer.

Chicago chapter of Society of Fire Protection Engineers will close out its 1954-55 season with a reception and buffet at the Atlantic hotel June 30. The meeting will be for members only.

PA—YOUR PROFIT ANGLE

Perhaps you, too, can enjoy bigger profits by letting us help you solve your casualty problems. We write general casualty lines exclusively. Cooperation with agents is the keynote of our success. Evidence: We insure butane gas dealers (a lesser part of our total volume) as a specialty item for our agents, for whom we pioneered this lucrative business. Inquiries invited from responsible agents in the southwest.



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PAN AMERICAN INSURANCE COMPANY

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Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Readjustment of Insurance Goals Through Research, Logic Urged by W. D. Winter

The insurance business, standing at the crossroads of the 20th century, must decide now whether it can afford to be content with additional statistics to guide it for the next 50 years, or whether it will take advantage of a new liberalization to employ logic, clear thinking, and most important of all, research in an effort to remain parallel with a rapidly changing economy.

This challenge was posed for the business by William D. Winter, chairman of the executive committee of Atlantic Mutual, in a paper entitled "Looking Backward and Forward," presented at a meeting of the Mariners' Club of Philadelphia.

The door is open for less stringent methods of determining future industry decisions in complying with the requirements of this new economy, he said. It has been opened by "the passing into oblivion of the strangling Appleton rule," which demanded subservient obedience to New York state insurance laws of any company which sought to do business in that state, and a New York type operation by that company in any other state in which it was licensed.

The rule restricted a company with multiple powers, such as a fire and marine company to fire and marine hazards; a casualty company to liability and some property risks. Result was that companies developed in vacuums. "The fire, marine, and the rapidly growing casualty and automobile sections of the insurance business have been developed as entirely independent enterprises, staffed in the same company or group by separate internal organizations, each jealous of its own position in its own company organization and in the insurance business as a whole," he declared.

There was a more far-reaching result, however. It was that the fire, and, in a lesser way, the casualty business in a broad sense reaffirmed the status quo philosophy encouraged by the Appleton rule by making little effort to interest the public in the extended coverage endorsement and by embracing the nation-wide agreement in marine departments. The former stalled development of an all-risk form and the latter accomplished its primary purpose: "the field of inland marine insurance was well fenced in."

What actually was made possible by abolition of the Appleton rule? What can companies do today to ride, rather than buck, the new economy? "This is a point I wish to underscore," he said. "There is no further need for divisions within insurance companies. . . The internal company and bureau politics, which lead to rivalry between segments of the business, can be eliminated. . . I believe these internal divisions

and rivalries will pass and insurance executives and staffs will think in terms of assuming the hazards of commerce, industry and individuals, and not in terms of insuring named perils to which property and the ownership of property are exposed."

What is needed now is something akin to a life insurance policy, he remarked. If the life insurance policy was not an all-risks policy, would it not be most unfortunate for one's beneficiary if one died from a disease not covered by the policy? But is this not exactly what happens on land, when a loss occurs from an uninsured or expected hazard? Surely it is not discriminatory to require that an all-risks policy be issued so that insured will be protected against the financial risk of his property being lost regardless of the cause of that loss.

This followed his observations on certain limitations in fire and marine insurance as it exists today. He asked questions and weighed the possibility of some trends developing in these fields. "Shall there be an all-risks or a named perils form? Shall there be an indivisible rate? If so, how shall this rate be established? Must it at least equal the customary charge for the predominant hazard, or does the particular class of property or business to which it is most adaptable offer an opportunity to start from a new basic theory of rating?"

More general were these questions: "What is the insurance business afraid of? The truth? Let extensive and intensive research be made of the past and determine the facts. Then determine whether commercial insurance on an all-risks basis is practicable and how. Could it be that if the insurance industry had been more interested in service than in profits there might be fewer slum areas? Difficulty in obtaining insurance might have been more effective in correcting building violations than municipal enforcement efforts. If more was done to keep young and reckless drivers of automobiles off the road and to have adequate inspection of all cars made, it might not be necessary to have assigned risk pools. Have we in the past 25 years taken too passive an attitude with respect to hazards that might be made insurable?"

The great stumbling-block to the use of an all-risk form is the peril of rising water, in the opinion of many authorities. "It would appear that intelligent research could settle once and for all whether the objections to inserting such perils are valid."

In the past 50 years floods in the United States have rolled up a damage total of \$5 billion, he said. These losses could be absorbed in an all-risks policy if proper catastrophe reserves

were set up over a period of years and if the single rate charged for the policy included a small charge for the flood hazard. "Flood insurance is not practicable unless adverse selection is eliminated. The problem is to spread the risk over the policyholders. This the marine and inland marine underwriters do by issuing an all-risks policy at a very modest charge."

Is it logical to make it impossible for insured to assume the first impact of loss by incorporating a deductible franchise in the policy? Or is it logical, at the other end of the financial exposure, to be indifferent to the amount of insurance procured through the omission of a coinsurance clause in the policy? Both of these situations are avoided, in part, in the new homeowners policy. He linked this conclusion with his observations on all-risk by saying, "Would it infringe on our liberties to any greater degree if, for instance, the homeowner, if he wished to insure, had to accept a simple all-risks policy?"

The homeowner should be able to protect his property by all-risks insurance, procurable at a price he can afford. The business, he said, should develop practical methods to offer such protection.

What of the mandatory deductible? "When it is realized that over 50% of claims made on property risks on shore are for less than \$100, might it not be worth a bit of research to determine what the effect of a mandatory deductible would be on the care of the individual with respect to his property, and on the overall cost of operation on the part of company, agent, and adjusters?"

"Only about 10% of fire claims exceed \$5,000. How much value exposed to risk is not protected because insurance to value is not required? And if these upper values were insured and the lower amounts were excluded by a deductible, what would be the effect on the rate structure? Is it not possible that lower rates could be charged because of a broader spread of risk and a reduced cost of operation?"

"Is it necessary to issue new policies every year or term? Are the accounting methods in use between assured,

(CONTINUED ON PAGE 34)

More Uninsurable Autos Being Burned

More frequently now newspapers carry stories of the organized burnings of jalopies. One such item tells of Rochester Automobile Dealers Assn. putting about 150 of these junk cars to the torch June 21. This recalls the days of the 1930s when such bonfires were frequent and involved many automobiles of the sort that should have been destroyed, as they do horses with broken legs, long before the event actually took place.

The broken down motor car bonfire serves two purposes, it makes motorists aware of the hazards of driving mechanically defective cars and it probably has a tendency to make way for at least a few sales of new or newer ones. However, a third and incidental result is that it makes good reading for automobile physical damage and liability underwriters. In New York state, it calls attention to the fact, in addition, that there is now a compulsory motor vehicle inspection law. This will undoubtedly mean more and larger bonfires of this kind, once the law becomes fully operative. As the process of getting rid of broken down vehicles increases in pace, it is reasonable to suppose that there will be somewhat fewer automobiles going into the assigned risk plan.

Also, in New York, there has been a quite noticeable step up in recent weeks in the number of persons settling claims under financial responsibility so that they can get releases and return to the road. This apparently is the result of a stepped up enforcement by the motor vehicle bureau of the state.

1904's Youngest State Agent Had Potential

When Peerless Casualty moved into its new home office, among the papers and files the office employees found an old clipping from the Rutland, Vt., Herald of 1904, concerning the youngest state agent in the country.

He went to Peerless Casualty in 1907 and in 1946 became president of the company. He is Richard C. Carrick, who will celebrate his 50th anniversary in insurance in September.

Participating in the International Congress of Actuaries at Madrid, left: Francis S. Perryman, assistant U. S. manager and actuary of Royal-Liverpool group; Joseph Linder of the consulting actuarial firm of Wolfe, Corcoran & Linder of New York, and Norton E. Masterson, vice-president and actuary of Hardware Mutual Casualty of Wisconsin.





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• Chances are that there are manufacturers who ship to foreign lands *right in your territory*—possibly some are clients of yours. These manufacturers are also prospects for *marine insurance*. Have you told them you can handle all their marine insurance requirements—that you can provide complete insurance protection from factory siding to the overseas destination? You have the full facilities of The Home Marine Department to help you service this good business.

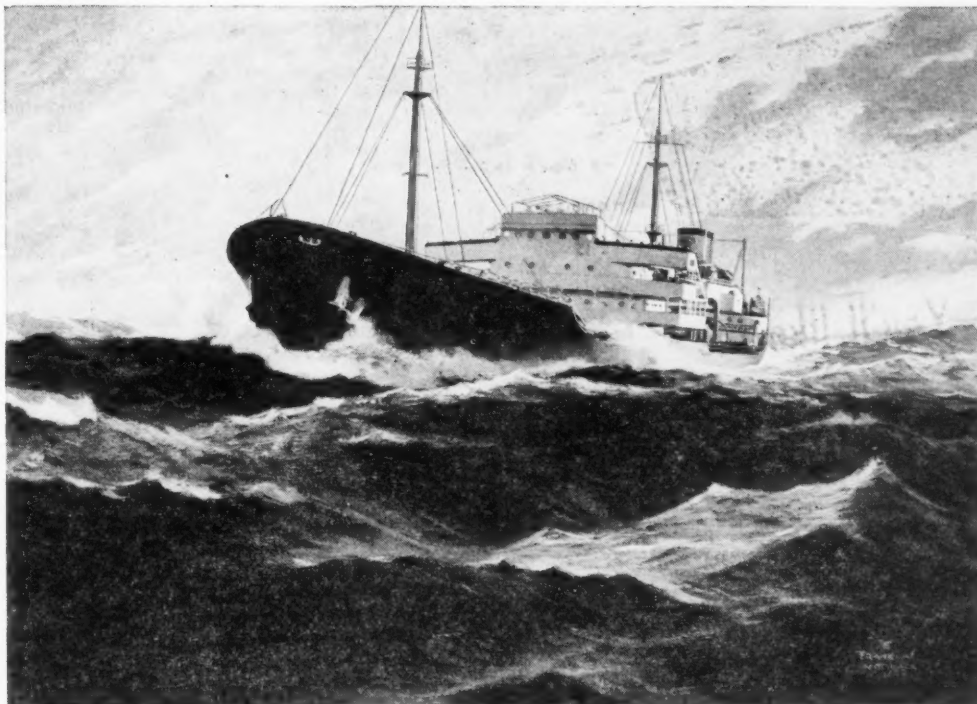
In full-color national advertisements like the one on the right, The Home is reminding manufacturers, merchants and individuals that you, as a Home agent, can offer them "an umbrella of insurance protection."

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It's an umbrella of insurance protection . . . and it benefits you as well as ship and shipper. Under Ocean Marine coverage—one of the many classes of insurance written by The Home through its agents and brokers—both the hull and cargo can be insured against damage or loss. Thus, America's merchants and manufacturers—as well as her merchant fleet—are sheltered by this umbrella of protection.


Every Home agent can offer the full facilities of Home's Marine Department—whether he is located in a seaport or a thousand miles from the ocean. As always, your local agent is the man to see!



P.S. to Sunday sailors—

You don't have to own a liner to benefit by Home's sea-going insurance. From an outboard motorboat to a yacht, there's an "insurance umbrella" to fit your craft.

☆ Your HOMETOWN Agent can serve you well—see him now!




☆ **THE HOME** ☆


Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds





The Home, through its agents and brokers, is America's leading insurance protector of American homes and the homes of American industry.

This ad will appear in full color, full page size in the following publications:
 TIME July 19 • SATURDAY EVENING POST July 24 • BUSINESS WEEK July 31 • U. S. NEWS & WORLD REPORT August 20
 NATION'S BUSINESS August

Bott, Reynolds Named by American Surety

Harry F. Bott has been appointed assistant manager of the contract department of American Surety and Robert W. Reynolds has been named Wash-

ington, D. C., special agent.

Mr. Bott, who has been an underwriter in the contract department since 1948, joined the company in 1935. Mr. Reynolds has been with the company since 1953, first as a loss prevention representative in Washington, D. C., and later as special agent trainee.

Because



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Des Moines, Iowa

Travelers Makes Field Changes Affecting 30

Several field changes in casualty, fidelity and surety, and fire and marine lines have been made by Travelers.

Harold A. Tucker was appointed assistant manager, casualty, fidelity and surety lines, at New Orleans with headquarters in Jackson, Miss., Harold M. Vandervoort has been named field supervisor, casualty, fidelity and surety and fire and marine lines at New Orleans. Three field supervisors in fire and marine lines appointed were Harry L. Higgins, unassigned; Charles W. Kemp, Philadelphia; and Gerald E. Pepin, Syracuse.

Field changes and appointments in casualty, fidelity and surety lines only are:

Assistant managers—Charles E. Moorefield, casualty fidelity and surety, and Wallace P. Williams, fidelity and surety at Richmond.

Field supervisors—Robert A. Ahern at Buffalo; Joseph Slinger, Jr., Toledo; Page Lampkin, Oklahoma City; Judd J. Corbett and Ronald V. Henagan, Houston; Thomas A. Watson, Milwaukee; Oscar Casper, Syracuse; Arthur R. Van Orsdale, Jacksonville; Gerard P. Dunn, Brooklyn; Robert D. Reasonvoer and John C. Gellatly, Dallas; Robert R. Moodey, James A. Thobe and Walter J. Shudde, Jr., Los Angeles.

Also, Thomas L. Million, Indianapolis; Ray E. Marcus, Louisville; Roy A. Hoisington, Jr., Kansas City; James G. Rowan, St. Louis; Dick M. Hock, Omaha; Wyatt B. Pringle, Charlotte, N. C.; John M. Rollow, Little Rock; Norman L. Aronson and Richard L. Jeatran, Minneapolis.

Court Holds Consortium Award Under BI Limit

A judgment for loss of consortium was held to come under the bodily injury liability coverage of an automobile policy, rather than property damage liability coverage, and, consequently, to be subject to the limit of liability per person in Jagers vs. Merchants Indemnity Corp., 4 C.C.H. (Auto 2nd) 314. This case, decided by the U. S. district court for the district of New Jersey, is interesting to insurance people both because it upholds what has always been regarded as the intent of the policy and also because of the number of consortium suits in a number of states, including New Jersey, during recent years.

In this case, Merchants Indemnity had written automobile insurance with \$10/20,000 bodily injury liability lim-

its and \$5,000 property damage liability limit. Mrs. Jagers, who owned the automobile, was held liable for an injury to a woman passenger, with a judgment of \$10,000. This exhausted the BI limit and was paid, together with costs, by Merchants Indemnity. The husband of the injured party, in the same action, got a judgment of \$3,500 against Mrs. Jagers for medical expenses, loss of services and loss of consortium. Mrs. Jagers paid this judgment and sued Merchants Indemnity to recover it, on the ground that this judgment was for property damage, rather than personal injury, and, consequently, should be paid under the \$5,000 PD limit.

The court, in an opinion by Judge Meaney, held that the policy, which stated that the BI limit per person should apply to "all damages, including damages for care and loss of services, arising out of bodily injury... sustained by one person in any one accident" was clear and that the limit of liability did not apply only to a judgment in favor of one person, but rather to all judgments based on injury to any one person.

Card Set for Conn.

Agents Meet June 21

A panel on agency management and an address on selling service by Graham R. Treadway, vice-president of Hartford-Connecticut Trust Co., make up the main discussion agenda of the midyear meeting of Connecticut Assn. of Insurance Agents at Griswold hotel and country club June 21.

Panel members are Oscar Beling, superintendent of agency systems of Royal-Liverpool; Charleton I. Fisher, vice-president of G. L. and H. L. Cross, Inc., New Haven; and Charles A. Perkins, district manager of Remington Rand, New Haven. H. Sage Adams, local agent at Guilford, will be the moderator.

Other speakers will be Commissioner Allyn, Anthony P. Turello, of New London and Valmore H. Forcier, of Danielson.

The group will consider four changes in the constitution and by-laws.

St. Paul Transfers Gaul

St. Paul F. & M. has appointed Bernard W. Gaul special agent in the bond department with headquarters at Detroit. Mr. Gaul, who joined the company in April after several years specialization in the bond field, has been in the bond department at Kansas City. He succeeds James A. Hughes, who resigned.

Change OL&T Rates in Texas

New rates for OL&T in Texas, effective August 1, have been made by National Bureau. The revision will result in a statewide 19% increase.

NOW AT MODERATE COST

AUTO ASSIGNED RISKS

EXCESS LIMITS

BODILY INJURY \$15,000/30,000

PROPERTY DAMAGE \$5,000

SPECIAL RISK AGENCY • 175 W. JACKSON BLVD.

Chicago 4, Illinois

"Inquiries Invited from General Agents and Brokers"

Marketing Methods Create New Era, Miller Tells EUA

Pure fire premiums account for less than a fifth of today's fire and casualty business, Harry W. Miller, president of Eastern Underwriters Assn., said, stressing that a new era is developing in which multiple line marketing methods are breaking down the fences that once separated fire and casualty.

He spoke at the association's midyear meeting at Rye Beach, N. H., which, with more than 165 persons present, was the largest midyear in the association's history.

Other speakers included Lincoln M. Michel, vice-president of Fire Association and chairman of EUA rating methods research committee, who outlined recommendations on dwelling coverages. John R. Robinson, deputy U. S. manager of Phoenix Assurance and chairman of the public relations committee reported that field men gave 716 talks and 1,320 film showings to more than 200,000 persons during 1953. Don Breting, executive engineer of Underwriters' Laboratories, gave a demonstration of fire hazards of plastics and National Board's film, "The Wind and the Fury," was shown.

Referring to the present as a new era in which new concepts are the order of the day, Mr. Miller said the aggregate premium volume in 1953 was about \$7 billion, most of which was underwritten by multiple line companies. Auto liability and property damage accounted for \$1.6 billion; auto physical damage, \$1.26 billion, workmen's compensation, \$600 million and other lines followed in order, accident and health, extended coverage endorsement, general liability, inland marine and bonding.

When it is realized that automobile PDL and PHD now represent more than 40% of the aggregate premium writings, when they were only 27% five years ago, he suggested that a more realistic division of managerial time and attention should be made with respect to classes of insurance written by companies.

Marketing methods are being given close scrutiny and changes appear to be needed in the mechanical handling of the pieces of paper that flow through the agent's office day after day. Perhaps this can be evaluated as part of the new marketing method that will come with chain store and mail order sale of fire insurance.

This is an era in which, in some jurisdictions, it is easier for a company to make and have approved a deviating or independent filing than it is for a regularly constituted rating organization to accomplish a like filing for its members and subscribers. There is also the recent challenge of a limited subscribership to fire rating organizations and the present rate and coverage scramble for the homeowner's business. Too little attention is given the element of reasonable underwriting profit provided for in the all-industry rate bill.

The business will continue to be based on protection sold at the grass roots level, and no one is more qualified to give views and support them with sound recommendations than the field men, Mr. Miller said, recommending that agents make full use of their talents in well organized field clubs. The efforts to improve the worth of

such organizations on a multiple peril basis have received the complete support of EUA. Still, not more than 25% of the field men are participating in such programs.

EUA is creating a new concept of responsibility to the public, the producer, the stockholder and business in an effort to transform the organized chaos that is so apparent into order and change undue haste to calm. This can best be done by exploration of the facets of the era as each develops by

conferences of reasonable men who can resolve complex situations quickly and realistically, make reasonable compromise of controversial subjects and still recognize and maintain the fundamental principles of the business.

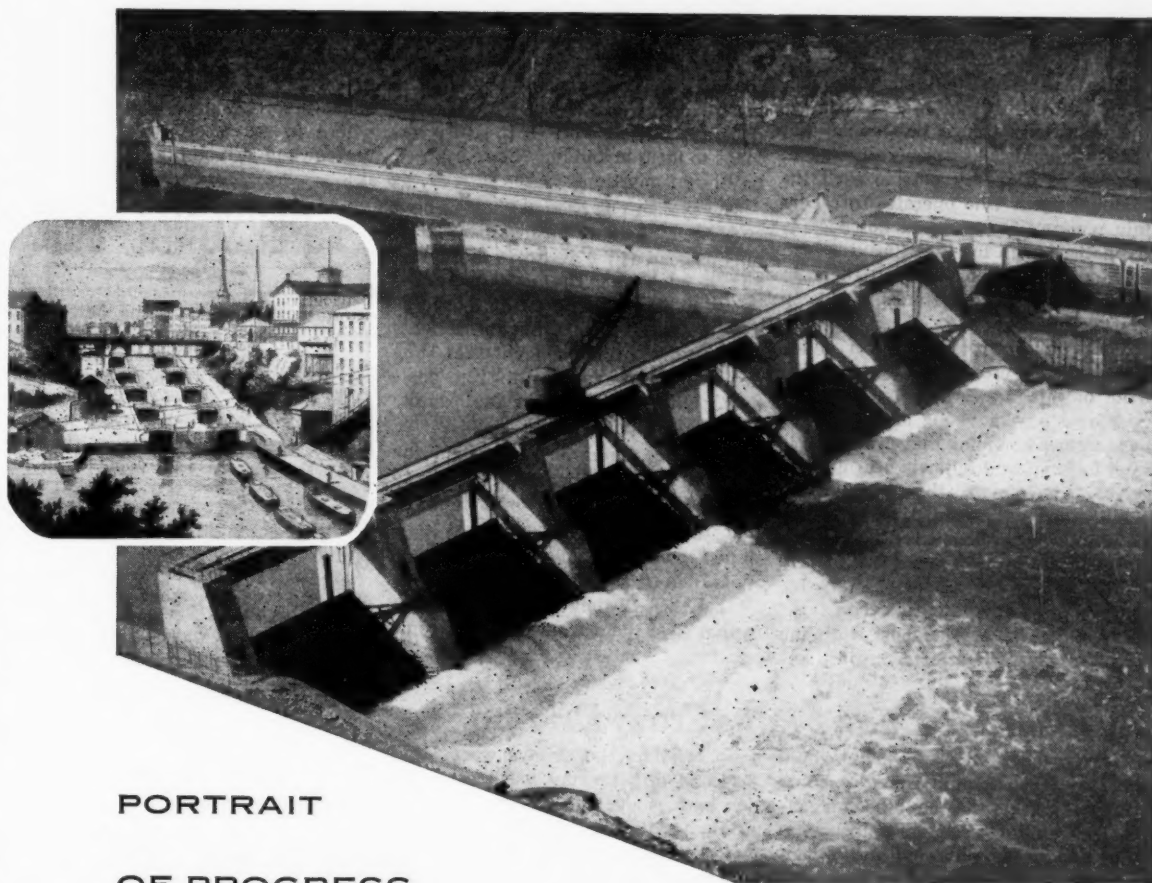
Hartford Names Dunbabin

Hartford Accident has appointed David J. Dunbabin, Jr., city special agent in Seattle. He joined Hartford in Seattle as a casualty underwriter in 1950.

American Universal Opens New Home Office

American Universal has formally opened its new home office, 144 Wayland avenue, Providence. The two-story, air-conditioned building provides 16,000 square feet of space.

Although the building was designed as the company's home office, it will be leased rather than purchased, in keeping with the company policy of maintaining maximum liquidity of assets.



PORTRAIT OF PROGRESS

On a cool and brilliant November morning in 1825, an elaborate aquatic procession completed its journey from Albany to the Sea, a keg of lake water was poured into the Atlantic and the cannon at Fort Hamilton announced the official opening of the Erie Canal, first of a long series of internal waterway projects destined to bring the production of our mid-west to the markets of the world.

As the nation's commerce grew and other waterways were developed, Chubb & Son acquired broad experience and knowledge of insurance requirements which enabled it to devise many of the features of present-day construction bonds. We are proud of our record of "Serving the Leaders" in this field of American Industry and Commerce.

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UNITED STATES GUARANTEE COMPANY

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EDITORIAL COMMENT

The System Is As Good As Agent Makes It

American agency system is a handy phrase to hang an opinion on and we certainly wouldn't advocate that it be discarded just because it has become somewhat worn with extensive use in recent months. It serves quite useful purposes.

However, agents who regard themselves as belonging to and working within the system should not allow frequent iteration of the phrase to bemuse them into any trance like belief that the system exists as a generality, as an integer, as a reality outside each individual agent who operates in a certain manner. They should not become hypnotized with the idea that they can rely on the system to keep them in business. They are the ones who keep the system going.

The system, if it is more than a handy word, was created by agents doing a lot of things—working hard, asking people to buy, advising clients on insurance needs, seeing that protection is kept in force, and following through on losses and claims so that unusual difficulties are not put in the way of fair payments and indemnities.

The agent should not come to rely on the system to support him in his old age, or at any other age. The agent himself will have to support it all the way, by his own efforts, brains, ex-

perience, energy, intelligence, planning and service. His agency may support him in his old age, if he has built it well. But the system won't.

There is even a hint now and then that a few individual agents may have the notion that the business on their books belongs to them because they belong to the agency system. The business belongs to the agent as long as he can keep it, which means as long as he does a good job with it. It really belongs to insured and may be redispersed by him at any time.

The system has proved itself to be a good way of doing business, but it is only as good as the agent, an individual person, makes it. The agent has some rights to the business on his books as a result of the system, but those rights do not have an independent life. They depend on the agent getting the business, handling it and in the process pleasing the policyholder.

When he thinks of the system the agent might remember that it is largely a name, a description of something that the individual agent must continue to make happen every day, week, month and year. Most agents do realize this. If they don't, the system cannot save them from time and competition.

An Insurance Man Fights Crazy Driving

Nearly every insurance man would like to do something about curbing traffic accidents that have been steadily jacking up automobile insurance rates besides maiming and killing people but like most other citizens the typical insurance man feels that there is little he as an individual can do about it. However, there's one who is doing something about it and getting definitely worth-while results. He is Sanford Peterson of the Twin City agency in Menominee, Mich. His one-man safety campaign, described in the *Ink Link* of the American-Associated group, is simple but effective.

Mr. Peterson jots down the license number of any car that he sees speeding or otherwise involved in reckless driving. Through police department cooperation he quickly obtains the owner's name and contacts him. In a typical case it turned out that the speeding driver was the owner's son and it didn't take long for papa to revoke the boy's driving privileges.

If Mr. Peterson finds the owner is

a policyholder, he always warns that a second offense may mean cancellation of his coverage for, he says, "at no time will we tolerate more than two violations by the same driver." So far Mr. Peterson has not had to warn the same driver twice, indicating that his campaign is proving successful.

"In many cases, I find that a son or daughter has had the automobile," says Mr. Peterson. "Parents welcome such information and usually lose no time in calling their children to task for reckless driving."

The initiative and moral courage displayed by Mr. Peterson are, we hope, a forerunner of an enlightened and aroused public attitude on the part of the public. People are genuinely concerned about the shocking increase in automobile accidents, deaths, and injuries but few are willing to involve themselves in any trouble to bring about an improvement. They feel that the police should do a better job but the unfortunate fact is

that these same citizens would squeal louder than a soft tire going around a corner if they were called on to pay the taxes needed to finance real traffic law enforcement.

Actually, there is no reason why the type of good citizenship exhibited by Mr. Peterson has to be confined to insurance people, although of course they have a direct interest in keeping automobile insurance experience good and rates at a reasonable level.

Nobody likes to be in a position of "telling on" somebody else but the automobile accident rate has gotten so serious that it is time for the sane driver to quit being a game little sport about the crazy driving that is everywhere in evidence. It is a favor to the cowboy driver himself as well as

to members of the public who might be so unfortunate as to tangle with him, to report his recklessness and see that something is done about it, either by the police, or by the individual citizen who witnesses the performance.

It will take plenty of moral courage to engage in this activity, for the drivers who like to inflate their own egos by wild driving are going to regard anyone who reports them as meddling busybodies. Nevertheless, if these show-off motorists realize that they are being observed and reported even though no police car is in sight, they may possibly change their reckless way of living before it becomes a reckless way of dying.

PERSONAL SIDE OF THE BUSINESS

James P. Walker is the new president of Georgia Assn. of Insurance Agents. He is a local agent at Augusta and is the son of the founder of one of the oldest agencies in the city, John W. Walker & Co. Mr. Walker has been with the agency since 1935 and is a past president of Augusta Board of Fire & Casualty Agents.



James P. Walker

James E. McWilliams, assistant manager of the automobile division of National Bureau of Casualty Underwriters, is the father of a baby boy, the McWilliams' first, who has been named J. Kevin McWilliams.

Landon Hill, who recently retired as manager of North Carolina Fire Insurance Rating Bureau, has been named a member of the Wake County Alcoholic Beverage Control Board, which supervises the operation of legal liquor stores.

A. L. Jagoe, Jr., Washington, D. C., local agent, has been elected president of the Washington Junior Chamber of Commerce. He is immediate past president of District of Columbia Assn. of Insurance Agents.

Alfred J. Bohlinger, superintendent of insurance of New York, and Mrs. Bohlinger left this week for Europe. They will visit Paris, Switzerland and the south of France and will return the end of July.

Top officials from the home office of Travelers joined 50 Portland representatives of the company in honoring **Phil Grossmayer**, Portland, Ore., agency head at a testimonial dinner

marking his 50th year in the insurance business, 48 of them in Portland. He was given a plaque in observance of the event.

Gladden W. Baker, vice-president and director of Travelers, received an honorary doctor of laws degree from Washburn University, Topeka, Kan. He is a graduate of the school.

Walter E. Krafft, vice-president in charge of fidelity and surety for Continental Casualty, has been elected a director of the Exchange National Bank of Chicago. He has been with Continental since 1919, having been made vice-president in 1940.

H. F. Schottenfels, Cincinnati agent, and Mrs. Schottenfels are parents of a new daughter, Amy Ellen, their second child.

Bruce E. Chittenden, special agent in Colorado and Wyoming for America Fore, and Mrs. Chittenden, are the parents of a baby girl, Barbara Elaine, born at St. Luke's hospital, Denver. The Chittendens have twin daughters three years old. The grandparents are **Byron R. Ward**, Colorado state agent for Glens Falls, and Mrs. Ward.

Sherman Leseth, Illinois field representative for Standard Accident and Planet, and Mrs. Leseth were injured in an automobile accident in Chicago May 29 and have just returned to their home in Chicago after a spell of hospitalization for leg injuries. It will be several more weeks before Mr. Leseth resumes his duties. He is well-known in the Illinois field as a former wielder of the Blue Goose.

Secretary **DeMott Belcher**, in charge of the general cover department of the America Fore, marked his 25th anniversary with the organization June 14. He was the guest of honor at a luncheon given by a group of America Fore officers and his friends at the Lawyer's Club, New York, to signal his entry

The NATIONAL UNDERWRITER

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into the "Old Guard." Mr. Belcher has been in insurance since 1907, when he joined Farjeon, Ballin & Co. in New York as a broker. He was later with Bale-Snedeker Co., Anton Sondheim & Son and R. A. Corroon & Co. all in New York City. For some years he was assistant secretary of the Corroon organization.

Mr. Belcher joined America Fore in 1929 as manager of the general cover department. In 1938 he was elected an assistant secretary of America Fore, and in 1948 he was elected secretary.

Lois Deicke, daughter of Edwin F. Deicke, president of Suburban Casualty of Wheaton, Ill., and Mrs. Deicke, who graduated last week from the University of Michigan, has been awarded a full scholarship for a year at the Free University of Berlin. The scholarship is part of a special college exchange program. Free University annually sponsors a Michigan student in Berlin and the University of Michigan provides a scholarship for a German youth to study at Ann Arbor. Miss Deicke was selected for the award by a special student-faculty committee. While in Germany she will address various student groups and will submit monthly reports to the University of Michigan daily student paper. Before beginning her studies in Germany, Miss Deicke will spend eight weeks in Italy as a graduation gift from her parents.

Norman Barrett has just completed a second tour of duty in the navy air force, this time as a lieutenant commander, and July 1 will return to the head office of U. S. Aviation Underwriters, where he formerly was an underwriter.

Norman Webb of the New York office of General Accident will sail July 15 for a trip to England, Scotland and Switzerland with his wife, daughter and son.

Patrick Kane, 18, son of Hal Kane, Pacific Coast representative of Alfred M. Best Co., was injured seriously in an automobile accident near Santa Ana a few days ago.

N. J. Casualty Men Elect

New officers of Casualty Underwriters Assn. of New Jersey are Thomas J. Debold of Glens Falls, president; George Paul of Fireman's Fund Indemnity, vice-president; Ray W. Clarke of American Associated, treasurer; W. Earl Pinholster of Royal Indemnity, secretary; and Ralph Hawkins of New Amsterdam Casualty, Herbert Hutchinson of American Surety, and F. W. Matson of Fidelity & Casualty, executive committeemen.

DEATHS

ROBERT E. BARRETT, 44, Illinois insurance director, died of a heart attack at his apartment in Chicago early Monday morning. He had been in office since Jan. 12, 1953.

Mr. Barrett arose about 6 in the morning to close the windows during a thunder-storm and collapsed. He died a few moments later.

Mr. Barrett had attended the meeting of National Assn. of Insurance Commissioners at Detroit last week until Thursday, and on Friday was on hand for the Republican convention at Springfield. He was in Chicago Saturday and played golf on Sunday.

Mr. Barrett attended the University of Illinois, Northwestern University and the law school at the University of Chicago. He was for 20 years a member of the Chicago law firm that is now known as Barrett, Barrett, Costello & Barrett that was founded by his father, George F. Barrett in 1900. Robert Barrett, before becoming Illinois director was chairman of Prudence Life and Prudence Mutual Casualty of Chicago, companies his family owns. This connection created a political stir when Mr. Barrett was appointed to the insurance department post.

Robert Barrett's older brother, George F. Barrett, was attorney general of Illinois during the administration of Dwight Green from 1940 to 1948. A younger brother, Thomas Barrett, gives his full attention to the affairs of the Prudence companies.

RAY CHARLEY, 50, fire superintendent of agencies in the Cook county department of Loyalty group, died of a heart attack. He had been with the group for 25 years at Chicago, and his entire career with the companies was in the Cook county department.

CYRUS H. AVERY, 45, secretary in charge of automobile underwriting of New York Underwriters, died after a heart attack at his home in Scotch Plains, N. J. He joined the company in 1941 as Alabama state agent, was elected assistant secretary in 1950 and secretary this year.

HARRY K. COFFEY, 58, head of Harry Coffey Associates, general agents of United Benefit Life and Mutual Benefit H.&A. was killed in his light Beech Bonanza plane near Hood River, Ore., enroute to Prescott, Ariz.

Only three weeks ago, C. D. Brovan, co-manager at San Francisco with his

father for Mutual Benefit and United Benefit, was injured in a crash of his private plane near Bishop, Calif.

LANGDON C. QUIN, 67, prominent Atlanta general agent and president in



Langdon C. Quin

Hurt & Quin, died there after a short illness. He had undergone an operation for a lung condition and failed to recover.

He was president of Standard National, which he organized in 1946, and was past president and one of the founders of American Assn. of Managing General Agents. He had served on the executive committees of

both South-Eastern Underwriters Assn. and National Automobile Underwriters Assn.

A brother, Robert S. Quin, is vice-president of the general agency and of Standard National, and his two sons, Langdon C., Jr. and Hugh Caldwell Quin are secretaries of the agency and the company.

ED OWEN WAGONER, 72, who retired as superintendent of agents for Aetna Casualty in Chicago in 1937, died there. He spent his entire business career with Aetna, going with the company in Chicago after graduation from University of Illinois.

MYRON MOLL, 57, Chicago insurance broker, died there in Veterans Administration Research hospital, after a long illness. He was a World War I veteran.

(ADDITIONAL DEATHS ON PAGE 40)



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Providence Wash. Issues Company Progress Report

Claude R. Branch, chairman of Providence Washington has issued a progress report to all stockholders, agents and employees to acquaint them with recent steps taken by the company.

Recent reductions in personnel, both of officers and employees, have been made which will result in a substantial decrease in expenses this year and even greater decreases in subsequent years, he said. Studies are being continued with a view to further economies.

Speaking for the directors, Mr. Branch commented on how favorably

impressed they were with the manner in which the officers were attacking the problems and felt that the company was well staffed. The morale of the personnel appears to be excellent, he said, and only one agent whom the company would have wished to retain has severed relations.

In reviewing the underwriting results for each of the companies in the first four months this year, he reported, they had been decidedly better than those of the same period in any of the past four years. However it has been determined that the loss and loss expense reserves set up at the end of the last three years were not adequate. The indicated inadequacy for the 1953 year

and reserves is about \$746,000.

After approval of the board, officers increased the pure loss reserves and loss expense reserves by \$1,305,658. This increase removes the indicated inadequacy and also puts the loss reserves on the same basis as those of other sound conservative companies.

Securities held have increased about \$1,756,961 in value since the beginning of the year and the net investment income is currently running ahead of last year.

Reflecting all the factors, including the addition to the loss and loss expense reserves, the surplus to policyholders April 30, with securities carried at market value, amounted at \$14,035,820, compared with \$13,759,740 at the end of 1953.

Transfer Earl Hatfield to Eastern Claim Post

Earl Hatfield, claims supervisor in the Washington claims department of Northwestern Mutual Fire, has been named claim manager of the eastern department with headquarters at New York City. Mr. Hatfield began his insurance career with Northwestern in 1949. He was with the Retail Credit Bureau at Spokane several years prior to that time.

Chester F. Hill Elected V-P of United Pacific

The executive committee of United Pacific has elected Chester F. Hill an assistant vice-president. Mr. Hill has been with United Pacific for 18 years, as manager of its fire affiliate, United General agency, since 1942, and as vice-president of the latter organization since 1945.

Home Previews New Film

A film concerning sales promotional ideas on earnings insurance has been previewed by Home for agents, brokers and is available for local agency boards and associations. The film, titled "E Day," is the second of a series created by Home in support of the agency system. It is designed to assist representatives in producing new and profitable business.

von der Tann Joins Employers

Thurston E. von der Tann has been named special agent in the Harrisburg, Pa., branch of Employers group.

Insurance Women of Cleveland have elected new officers as follows: President, Josephine H. Dusek; vice-presidents, Charlotte Ouska and Eileen Cleary; recording secretary, Holly Hodapp; corresponding secretary, Carolyn Fohl, and treasurer, Ann Hamilton.

2,117 War Risk Binders Issued in First Quarter

At the end of the first quarter the total number of binders issued by American war risk agency under the war risk insurance program totaled 2,117. Of these 771 were hull binders, 703 protection and indemnity, 643 crew life and personal effects. Binder fees deposited amounted to \$136,375.

Three applications for war risk builder's risk were filed during the period by Bethlehem-Pacific Coast Steel Corp. in behalf of itself and Pacific Far East Line to cover three mariner class vessels under contract of sale.

During the quarter, consideration was given to the form of contract to be executed with cargo underwriting agents. Up to the present it has not been necessary for the secretary of commerce to transfer any money from the maritime vessel operating fund for war risks.

The program for war-risk insurance for the interim period, as specified in the 1949 law, will be supplemented by a full wartime insurance program which will be made operative only if there is an outbreak of hostilities.

At the request of the Secretary of the Navy, war risk second seaman's insurance was provided, beginning the first of the year for 62 tankers operated by the military sea transportation service, without premium in consideration of an agreement by the secretary of the navy to indemnify the maritime administrator for all losses covered by such insurance. During the quarter two tankers have been redelivered leaving 60 covered. No claims have been received since the insurance went into effect.

Anne Shaloo Heads N. J. Women

New officers of Insurance Women of New Jersey are Anne Shaloo of Loyalty group, Newark, president; Marie A. Ford of William Ford Inc., Newark, and Ida H. Kraft of Kraft agency, Hackensack, vice presidents; Claire J. O'Toole of J. E. Wordley Co., Newark, recording secretary; Mary Connor of Donnelly Bros., Newark, corresponding secretary; Margaret Keegan of American Associated, Newark, treasurer; Helen F. Frankel of American, Newark, Nancy Luciano of Appleton & Cox, Newark, Eleanor Nipken of Wohlreich & Beck, East Orange, and Selma Raybert of North American, Newark, trustees. The group will have its last meeting of the season June 19 in Asbury Park.

Freeport Motor Has Ind. Rallies

Freeport Motor Casualty had a total of 132 agents at its meetings in Indiana recently. There were 70 on hand from southern Indiana at the Indianapolis meeting, and 62 attended the northern Indiana gathering at Lake Wawasee. C. M. Fish, vice-president, led the home office contingent.

Georgia Mutual Agents Elect

A. L. McDonald, Atlanta, has been elected president of Georgia Assn. of Mutual Insurance Agents, succeeding W. B. Fortson, Columbus. Other new officers are Hugh Kroell, Waycross, vice-president, and William King, Columbus, treasurer.

1,500 Losses at Benton Harbor

A freak wind and electrical storm at Benton Harbor, Mich., over the Memorial Day holiday resulted in about 1,500 claims, mostly to roofs and siding of dwellings.

Emil T. Clauss, past president of New York Assn. of Insurance Agents and state national director has recommended the state government adopt the Buffalo Courier-Express' crusade for safety and make it an official statewide project. Such a campaign, he said, would bring a solution to the problem of traffic accidents.

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High Court Affirms Case Voiding Cover on Auto

ST. PAUL—In a divided opinion, U. S. court of appeals, 8th circuit, here upheld Northwestern National Casualty in denying coverage under an automobile liability policy where the insured transferred ownership of the automobile to her 17 year old son a week after it was purchased. This upheld a lower court judgment of early last year, which attracted considerable attention of insurance people, because of the fairly common practice of registering automobiles which are actually used by minors in the names of parents or other older persons.

The case was originally a declaratory judgment action, Northwestern National Casualty asking for a ruling that it was not required to defend Marie Bettinger, the insured, and Lawrence Bettinger, her minor son, in a suit brought against them by Clara Egge and Lillian Hanson, who were injured in an accident involving the automobile, which was driven by Lawrence Bettinger at the time. Eventually they got judgments of \$22,500 and \$5,000 against the Bettingers and joined in the suit on the policy as interveners.

As was the case in the lower court suit, which also went in favor of Northwestern National Casualty, the decision turned upon the transfer of ownership and not upon the original purchase in the name of the mother. The majority opinion of Judge Sanborn held that the lower court correctly found that the policy had been issued with the understanding that Marie Bettinger was owner of the automobile and that she ceased to have any insurable interest on transfer to Lawrence Bettinger. The case was complicated by the fact that in the damage suit against the Bettingers, Marie Bettinger was re-

ferred to as owner of the automobile and the court which heard this suit apparently went along with that contention, so as to make Marie Bettinger liable for the accident under the Minnesota vicarious liability law. This was the basis of Judge Woodbrough's dissenting opinion in the appeal on the declaratory judgment action.

This decision, as was true with the lower court case, is thus only a qualified victory for insurance interests, since it strongly implies that the insurance would have been in effect if, as usually happens, title to the automobile had remained with the mother. It is, however, a significant holding that liability insurance is voided by a change in title.

James E. Finley of St. Paul represented Northwestern National Casualty. The case, which has not yet been published in any reporting services, is identified as Bettinger et al vs. Northwestern National Casualty, U. S. court of appeals, 8th circuit, No. 14, 960.

300 Adjusters Attend Annual Chicago Outing

Adjusters Assn. of Chicago held its annual golf outing at the Elmhurst County club June 10. About 300 adjusters, agents and company men attended. More than 100 door and golf prizes were awarded.

At the dinner the association presented Past President L. G. Schreiber with a clock in appreciation for his work in developing higher standards and increased membership into the association.

The new officers of the association are: Raymond J. Iekel of Underwriters Adjusting president; Edward R. Brunke, Frank L. Erion & Co., vice-president; Harold F. Wangerow, Western Adjustment, secretary, and George W. Doherty, Toplis & Harding, Wagner & Glidden, treasurer.

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Harvey Gives Review of Dwelling Coverages

(CONTINUED FROM PAGE 1)

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builder's risk exclusion. Explosion: No qualification at all. Sudden and accidental tearing asunder, heating systems: No deductible. Vandalism: No restriction on trees, shrubs, fences and walls and outdoor equipment (no deductible). Riot: Broader as to consequential loss.

Vehicles: Physical contact not necessary (no deductible). Smoke: Broadened. Falling objects: Broader, no exclusion on trees, walks, and shrubs (no deductible). Weight of ice and snow, collapse: Subsidence not excluded (no deductible). Landslide: Subsidence not excluded (no deductible), not covered under Interbureau. Sudden and accidental tearing asunder, hot water appliances: Broader, cause of accident not required. Freezing of plumbing, heating systems and air-conditioning systems and appliances: No earthquake or flood exclusion.

Sudden and accidental injury to electrical appliances, devices, fixtures and wiring from current artificially generated: In Inter-Regional, not in AEC. Inter-Regional also provides replacement cost with deduction, waiver of suspension of coverage due to increased hazards, broader vacancy and unoccupancy as to unprotected properties, 5% extension on trees and shrubs (not in Empiro, specific insurance in Interbureau), and 10% extension on additional living expense.

If desired, he said, the Inter-Regional form may be made more like Empiro's and Interbureau's by adding comprehensive liability, glass breakage and limited theft endorsements now available through the rating associations. Inter-Regional also is to recommend, through the rating association, SHO, which differs from all the others in that it is a physical damage policy insuring buildings only.

Before the 1938 New England hurricane more supplemental contracts were sold because of the possibility of an airplane falling than because of wind damage, Mr. Harvey said. In Massachusetts 1933-42 tornado and EC premiums were 1.4% of the total fire and EC. In 1952 EC premiums were 15% of the whole. Now the endorsement is sold with only damage by wind in mind.

"No one in this room dislikes deductibles more than I do," he said. "I hate deductibles, and must admit to have received the suggestion with no enthusiasm originally. Was there no other way to write the cover and not build up a poor public relations picture?" The companies for years had been trying to make insured claim conscious and now that their efforts were crowned with success, they wished to put in a deductible.

Many searched for the answer. Agents were told they were paying maintenance claims or nuisance claims. They admitted it. To cover insured against loss to his property by wind without a deductible is insuring against a certainty, and there is no reasonable rate that can be charged that will cover against a certainty. That applies to water damage as well in AEC. Physical damage insurance never was intended to cover against a certainty.

Whenever the deductible is mentioned, it is always \$50, and of course that is natural, but it really doesn't work out to be \$50 in most cases. In 1953 one storm produced 3,300 claims and the average payment was \$26. Then, had the deductible been in all policies it would have been for less than \$20 to most insured. That storm produced about the same average that has been true in all storms.

He said "a very good agent" in his state told his clients that "finally the companies have forced the deductible on us." Mr. Harvey said he was sure more agents asked for the deductible than opposed it. "But did we do anything that was unreasonable or unfair?"

I think not." On the basis of his company's final figures in New Hampshire he said it would have been forced to charge at least \$1 for five years for the full cover.

"Would we build up better public relations by charging insured \$100 for \$10,000 insurance on their dwellings for removing what has proved to be a \$20 or \$25 deductible when he could get the coverage at \$36 with a deductible?" The savings banks were asking insurance companies to do something as they were meeting resistance from mortgagors because of the 12-cent rate. The present rate level may prove to be too low, for the expense ratio to the companies is higher on EC than any other part of the business. Companies labored long trying to do something other than introduce the deductible without success. They need and ask for support of agents to keep the rate from going higher, he said.

Companies also need more aggressive action on the part of agents in the sale of AEC. After all, he said, a fire policy with EC and AEC is a package policy written at a lower premium than any other.

AEC is not a restrictive cover. New Hampshire Fire has had claims for every peril but landslide, and underwriters fear a high loss ratio. There must be spread, or because of adverse selection the rate will have to go up.

The EC endorsement must be pushed harder, he said. One of the selling points of the new package policies is that the agent need not tell insured that the unusual loss he has suffered is not covered. These endorsements cover usual losses. Hundreds of claims are paid every day for losses caused by the several perils named in one or the other of these extensions of the fire policy. Yet every tornado, hurricane or windstorm reveals a large number of insured do not have the coverage.

Springfield (Ill.) Assn. of Insurance Women installed Toni Regan as president Jean Solomon, vice-president; Irene Daniel, secretary, and Phyllis Vilmure, treasurer.

Things every Insurance Buyer should know—No. 73



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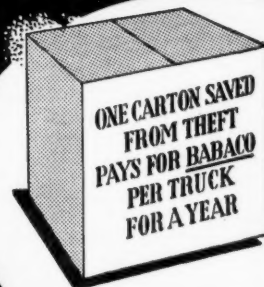
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\$300,000 Defalcation By Ex-N. J. Governor

Harold G. Hoffman, former congressman and former governor of New Jersey, embezzled \$300,000 from South Amboy (N. J.) Trust Co. of which he was president, according to a confession he left with a daughter with instructions to open it after his death. He died recently in a New York hotel after being suspended by Gov. Meyner as director of the New Jersey division of employment security for irregularities in the purchase of supplies and equipment.

Aetna Casualty is the primary surety on the South Amboy Trust Co. bond, which currently is for \$275,000. However, it was \$175,000 prior to 1952 and \$150,000 prior to 1949. According to the report of the confession, the Hoffman defalcations occurred from about 1925 to 1938. He is said to have attributed the embezzlements to the costs of his political campaigns and the high cost of living in Washington. He also is said to have written that a state official, now dead, blackmailed him for a total of \$150,-

000, after Hoffman told him of his embezzlements to avoid an action by the official which might have disclosed the thefts. He indicated the thefts were from inactive accounts in the bank.

Alabama General Agents Form State Organization

General agents in Alabama have formed Alabama Assn. of Managing General Agents and have elected Claude E. Boykin of Boykin & Co., Birmingham, as president. W. O. Butler, Butler, Walker & Compton, Montgomery, is vice-president, and King G. Luck, W. L. Burnham General Agency, Birmingham, is secretary-treasurer. There are nine general agencies in the charter membership rolls.

Plan III. Brokers Outing

Insurance Brokers Assn. of Illinois will hold its annual outing July 13 at Itasca Country club, near Itasca, Ill. This is one of the most widely attended insurance golf outings, and a great many of the prizes that are distributed are donated by companies and agencies in the state. Following golf there will be a dinner and entertainment.

Ky. Clubs Elect Redmon, Olmstead and Boedeker

LOUISVILLE—Field clubs of fire insurance companies meeting at Kentucky Dam Lake, Gilbertsville, Ky., for their annual outing and business meetings, elected officers as follows: Kentucky Fire Prevention Assn.: John E. Redmon, Camden, president, succeeding Richard W. Moher, New Hampshire; John R. Blackmarr, Scottish Union, vice-president; Dudley P. Vandivier, Travelers, secretary.

Kentucky Fire Underwriters Assn.: George Olmstead, Firemen's Fund, president, succeeding Shirley Lawrence, Camden; William R. Dallas, America Fore Group, vice-president; and Richard W. Moher, New Hampshire, secretary.

Kentucky pond of Blue Goose: Martin W. Boedeker, Royal Exchange, most loyal gander, succeeding J. R. Thompson, Kentucky Inspection Bureau; George B. Olmstead, Firemen's Fund, guardian; C. Brucker Gill, Western Adjustment & Inspection, supervisor; R. A. Copes, Home, custodi-

an; A. H. Voelcker, Kentucky Inspection Bureau, keeper; and Homer L. Tribble, Lawton General Agency, welder, and Mr. Boedeker and Henry E. Timmons, Automobile, delegates to the grand nest meeting in California.

Lawyers to Study Auto Compulsory in New York

Donald W. Kramer of Binghamton has been named chairman of a New York State Bar Assn. committee to study compulsory automobile and possible alternatives. The committee will organize at the annual meeting of the state bar group in Saranac June 24-26. Ray N. Caverly, vice-president of America Fore, is general chairman of that convention.

Elect in Snohomish County

South Snohomish County Insurance Agents Assn., a newly organized local board of the Washington association, has elected R. M. Moody of Lynnwood as the first president. The other officers are: Harry C. Fredericksen, Edmonds, vice-president; Gail C. Leslie, Edmonds, secretary-treasurer.

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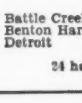
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Iowa A&H Assn. Elects Chester Elson

One hundred Iowa A&H men attended the first annual Iowa A&H Assn. sales congress at Cedar Rapids to elect Chester Elson, Mutual Benefit A&H, Waterloo, president. Mr. Elson is a past president of the Indiana association.

On the program, under the direction of Wyatt Maupin, Business Men's Assurance, Cedar Rapids, were Tom Callahan, Time, Milwaukee, president of the International; R. L. MacMillon, B.M.A., Abilene, Tex.; Robert W. Osler, vice-president, Rough Notes Co., Indianapolis; E. H. O'Connor, managing director, Insurance Economics Society, Chicago; and Mr. Elson.

Mr. Callahan reported that the major effort of the International during the past year has been the establishment of state associations. From a total of 14 such organizations as of the beginning of his term of office last fall, the number has risen to 32. The state association, Mr. Callahan declared, is the strongest prestige, public relations, and legislative group.

Mr. MacMillon outlined the system he has used to lift himself from "first, second, and third-year failure" to leadership among B.M.A. agents: Sell any policy you can to begin; send a thank-you card the same day; stop by and say "hello" to policyholders; send congratulations notes when indicated; remember birthdays, anniversaries, etc; use age-change cards and calls.

Also, pay claims fast, and deliver in person; send or phone thanks on renewal dates; send a gift to good policyholders; get people to help you, because it makes them feel superior; offer help when trouble strikes, and use news-

paper advertising to establish a "brand name."

Mr. Osler told the luncheon that the future outlook for A&H is "fantastically bright," predicting A&H premium volume may pass that of life within a decade. He warned, however, that there are "clouds on the horizon," naming: Failure of the public to understand the basic principles of insurance, looking on A&H as an "investment"; "our reputation for sharp advertising and selling practices"; concentration on frequency instead of depth coverages; "misapplication of group, too often sold as a way to 'get it wholesale'"; and socialization of the business.

Mr. O'Connor warned that "we must cease living in a fool's paradise" of expecting the election of any given political party to end the threat of socialization. "Many of the proposals of the present administration merely carry on the socialistic trend," he charged.

"One of the real Washington scandals not yet publicized," Mr. O'Connor declared, "is the amount of the taxpayers' money that has been spent to convince them that they are unable to care for themselves and so to pave the way for a socialistic government."

Reported at the meeting was a substantial increase in local membership, and one new association, Davenport, with John Scott, Occidental Life, the first president.

The program was concluded with a rapid-fire presentation of half a hundred adaptable sales ideas by Mr. Elson, who demonstrated his most effective sales talks and techniques.

Detroit Auto Club is building an office at Kalamazoo to handle the out-state business of its inter-insurance exchange.

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Dale Potts Reelected at Milwaukee

Past president's night was held by the A & H Underwriters of Milwaukee at the June meeting at which Dale B. Potts, Occidental Life of California, was elected to a second term as president and Lionel Seguin, Continental Assurance, was elected first vice-president. Re-elected were Albin O. Behrens, Time, vice-president; Richard E. Mueller, Provident Life & Accident, treasurer, and Leo E. Packard, Packard-Carson agency, secretary for an 18th term.

New directors are N. E. Doyle, North American L. & C.; Gordon Fields, Marsh & McLennan of Wisconsin; Hugh M. Holmes, Lincoln National; Thomas C. Malone, Time; George A. Knutsen, Mutual Life of N. Y.; M. G. Olson, Continental Casualty; and Edwin H. Hoffmann, John Hancock Mutual. Alfred K. Perigo, Franklin Life, was named delegate to the international convention at Omaha, at which Thomas E. Callahan, Time, of Milwaukee, will preside as president.

Thirteen of 17 past presidents were honored at the meeting, including E. H. Mueller, Provident L. & A. and Pacific Mutual, who is observing his 40th year in the business.

Eugene C. Ebersol, North American Life & Casualty, outlined plans for the sales congress and annual meeting of the Wisconsin association to be held in Milwaukee Aug. 27 and 28.

G.A.B. Opens Wash. Branch

A new branch office at Moses Lake, Wash., has been established by General Adjustment Bureau. Headquarters, at which Robert A. Forrest will be adjuster-in-charge, are 3410 Division street. Mr. Forrest was formerly at the Wenatchee, Wash., office.

Other appointments of GAB are Wil-

liam A. Stetter as Brooklyn manager and Leo L. Kling, Jr., to manager at Jackson Heights, N. Y. John F. Rooney will succeed Mr. Kling as manager at Wheeling, W. Va. Mr. Stetter has been manager at Jackson Heights.

Steigerwald New Head of Indianapolis A&H Men

The insurance business and agents associations have waited much longer than they should have to counter-attack the steady encroachment of the government and Blue Cross, Francis Davis, general agent of Indianapolis Life, newly-elected president of Indiana Assn. of Life Underwriters, told members of Indianapolis A&H Assn. at their annual meeting.

Also appearing on the program, H. C. Graebner, dean of the college of business of Butler University, urged associations to concentrate on getting the message of career opportunities to high school pupils.

New officers of the A&H organization elected are: President, G. E. Steigerwald, Prudential; vice-president, J. T. O'Neal, Great-West Life; secretary-treasurer, R. W. Osler, Rough Notes Co.

Mr. Davis pointed to the increases in social security, the health re-insurance bill, the proposal for commissionless group on federal employees, and the consideration of the Hoover commission for buying group on veterans and their dependents as evidence of the concerted attack on the private insurance business.

"Unless we stand up and fight this trend at long last," he declared, "the market will become so restricted that even if the established man can hang on, the new man won't be able to get a start. He called for cooperation between the life and A&H associations in combating Blue Cross and government encroachment, both federal and state. He predicted that 1955, a legislative year in Indiana, would see a flood of bills affecting the insurance business, most of them adverse.

Providence Washington Appoints Francis Brown

Francis X. Brown has been appointed agency superintendent of Providence Washington for the Oregon, Washington, Northern California, Arizona and Northern Nevada territories with headquarters at San Bruno, Cal. He has been in the southeastern United States since joining the company in 1948.

Becker Is Special Agent

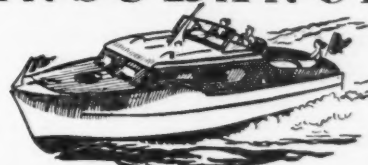
Central Mutual has appointed Robert F. Becker special agent for suburban New York and Long Island. Since joining Central in 1951, he has been a fire underwriter at New York.

Parker-Allston Retained

National A. & H. of Philadelphia and Philadelphia Contributionship have retained Parker-Allston, insurance advertising specialists, New York City, as advertising counsel.

Insurance Women of Dallas had an open house and dinner to honor the incoming officers. Speaker was Louise E. Throgmorton, vice-president and public relations director of Republic National Life. The new officers are: Mrs. Peggy Phillips of Loyalty group, president; Miss Patt Torti of Floyd, West & Co., and Miss Willie Mae Jackson, Employers group, vice-presidents; Mrs. Ruth McAnally, Founders, and Miss Fredda Bracken, Gulf, secretaries, and Mrs. Gertrude Groover, T. A. Manning & Sons, treasurer.

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Does your assured want to move in on
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makes his home uninhabitable?
Would Aunt Hettie and Uncle
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The answer is probably "No" to both questions

Additional living expense insurance
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while the damaged home is undergoing
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opportunity to merchandise this
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Incorporated 1885
MANCHESTER,
NEW HAMPSHIRE

NAIC OKs Vigorous Action on A&H Complaint Sources

(CONTINUED FROM PAGE 17)

hension by the public. Some companies require no examination of insured. Yet many persons are honest when they write on the application that they are in good health. He thinks these companies should be required to state also at the time of sale that they will not pay a claim if at the time they went on the risk insured had had that illness.

He said if NAIC came out strongly for rules and regulations along these lines it will help Ohio secure remedial legislation.

Mrs. Hobby's talk was received politely by the commissioners. She emphasized that the success of the federal A&H reinsurance proposal depends on

a closer working relationship with commissioners and insurers. In backing it so vigorously the administration believes it is meeting the challenge of the demand for extending A&H, by voluntary means.

The administration firmly adheres to and believes in the principle of state regulation of insurance as set forth in public law 15, she declared. The commissioners' own alertness to any possible danger affords additional protection in this score. If there is any working in the present bill which fails to make the government's attitude clear, she thinks the bill should be changed and would recommend such a change to Congress immediately. The bill contains many safeguards to protect state right and the private insurance system. The bill specifically provides that the services of state insur-

ance authorities shall be utilized in operating the program.

She said she hoped NAIC would designate a standing committee to serve as liaison with her department. NAIC suggestions and recommendations, especially as to setting up the terms for approval of reinsurance applications, would be of the greatest value. She would like "to see the Smith and Wolverton reinsurance bills amended so they specifically provide for this liaison with state insurance commissioners."

The program is necessary—imperative, she declared. This is demonstrated by the public pressures that have been, and still are, responsible for proposed legislation of an exceedingly drastic nature. The program puts forward a sensible and practical way to encourage insurance companies and other



Pictured at the NAIC Detroit meeting by Harry Fuller of the National Bureau: Ernest Palmer, former Illinois commissioner and now attorney for the Warner reciprocals, with Commissioner Robert Taylor of Oregon, new chairman of the NAIC executive committee.

organizations such as Blue Cross and Blue Shield to expand and improve their services.

At the conclusion of her talk the commissioners adopted a resolution full of flowers for Mrs. Hobby but that did not run contrary to the resolution of April which strenuously opposed the federal reinsurance bill.

Mr. Murphy in his presidential address said he believed it is the duty of every commissioner to consider seriously proposals made or that will be made by the Department of Health, Education & Welfare in trying to arrive at some reasonable solution to their problem. He thinks that nowhere in the reinsurance proposal should there be any encroachment on state regulation of insurance.

Frank Fullenwider of California suggested several amendments to the principles, rules and regulations proposed for credit life and A&H, which were adopted (with the subcommittee being discharged) by the life committee.

The executive committee agreed to make Mr. Fullenwider's suggestions a part of the report and be included in the proceedings for informational purposes only.

This established a pattern. Some suggestions by Arthur J. Cade of Old Republic Credit Life, who spoke for Consumer Credit Insurance Assn., were treated in the same way, as was the statement of Oren Pritchard of Union Central Life, Indianapolis, chairman of the law and legislation committee of National Assn. of Life Underwriters and by Wayne Cook, counsel of Household Finance Corp. Carlyle Dunaway, counsel of NALU, spoke for Mr. Pritchard. Sullivan of Kansas, filling in for the ailing Fischer of Iowa, handled this part of the program.

Mr. Cade said his organization urged commissioners to adopt rules and regulations on sale of credit life and A&H. The association endorses the regulations proposed. However, the association believes the scope of the regulations extend beyond the safeguard necessary to remedy the abuses, impose undue burdens on industry and are not necessarily in the public interest, in two respects.

This situation can be remedied by adopting two amendments, one of which would make the installments "substantially equal". The other would add to the rule that in event of cancellation, return premium shall be promptly paid to the person entitled thereto, the phrase "or credit to the next installment." The first would enable the creditor to provide proper coverage to individuals whose indebted-

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wanted by large independent company, for Milwaukee County territory and closely neighboring area. In reply give full detail re experience, salary, etc. Address Z-46, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Necessitates taking on additional Special Agents in Minnesota, Indiana, Illinois and South Dakota. These are fine opportunities with an excellent company. Write Mr. Hanthorne, Auto-Owners Insurance Company, Box 660, Lansing, Michigan, giving full details as to experience, background, etc. in first letter.

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Opportunity to supervise underwriting in Milwaukee office for young man, experienced in automobile underwriting and with a working knowledge of general casualty lines. Ohio Farmers Companies, 741 N. Milwaukee St., Milwaukee 2, Wisc.

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We are seeking a thoroughly experienced man with a comprehensive background and accustomed to handling unusual and complicated Lloyds risks. Situation is for New York office of old, well established, nation-wide organization with Lloyds binding facilities. Furnish complete data. Box Z-63, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED CASUALTY MANAGER

Chicago Stock Casualty Company writing Workmen's Compensation—Public Liability & Automobile desires to employ ambitious man with a minimum of ten years experience. The man we will hire must be in good health and of good character. His previous employment record must be excellent for it will be thoroughly investigated. Excellent starting salary and bonus. All replies will be held in strictest confidence. If you have the qualifications and are desirous of a future with unlimited possibilities, may we have your application? Address Z-58, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

C.P.A. AVAILABLE

C. P. A., 33, with broad experience desires responsible position with growth possibilities in insurance field. Experience includes casualty insurance accounting, taxes, I.B.M., investments, public accounting. Address Z-61, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Young man with knowledge of casualty or fire insurance qualified to service existing accounts and develop new business for established agency in Detroit, Michigan. Salary open. Wonderful opportunity for advancement. State age, experience, marital status and other pertinent confidential information. Write Box Z-43, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INLAND MARINE UNDERWRITER

Young man 5 to 10 years experience. Pleasing personality and ability to deal with agents essential. Excellent opportunity with Chicago office of midwestern company. Write stating age and background. Our employees know of this ad. Address Z-54, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INLAND MARINE TRAINEE

Young man with some agency or company experience. Excellent opportunity with Chicago office of midwestern company. Ambition and pleasant personality essential. Address Z-57, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

JUNIOR CASUALTY UNDERWRITER

One of the leading and most progressive multiple line insurance companies has an opening for a Casualty Underwriter with a minimum of two years' experience in rating and underwriting. Experience necessary in miscellaneous liability, burglary and plate glass. This job will locate in Chicago in a large Service Office operation with unlimited opportunity to advance. If you are interested in being associated with a top-flight Company where your abilities and potential will be recognized and an opportunity to take part in many ideal employee benefits, send us a letter with your qualifications for our consideration. Address Box Z-64, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

GENUINE OPPORTUNITY

One of the oldest and largest multiple line stock companies in the world is expanding a special risks division of its operations. Two men are needed. Both should be between the ages of 30 and 35. One should offer fire and marine background, the other casualty. These men will have to combine public relations temperament with a capacity to do technical research. After specified training they will be expected to assume sizable responsibility. The two men who qualify can look to a very bright future. Candidates are requested to submit detailed information about themselves to Box Z-51, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

A & H specialist to develop A & H Department for large insurance brokerage office in Eastern Pennsylvania. Must be well organized, college graduate, self-starter, low-pressure, under 40, good team player. Give complete background, salary required, photo. Address Z-40, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

KEY POSITIONS

Available in fast growing fire, casualty and allied line insurance company in Fox River area. Openings for Underwriters, Sales Supervisors and Trainees, Safety Engineers and Claim Adjusters. Excellent opportunities. Address Z-55, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

edness is repayable on an irregular basis, like teachers and farmers, and will enable the creditor to provide proper cover to individuals whose indebtedness involves a substantial balloon payment. The second enables individual insured to cancel coverage remaining in force upon renewal, refinancing or repayment of the debt, but at the same time does not deny the insured the right to retain such protection if he likes.

Insured should be notified in writing of his privilege to cancel when the debt is liquidated, but it would impose an undue burden on industry to make it mandatory to include such provision in the policy. That may turn out to be the most practical way for industry to act, but it will take time to refile policy forms and make the necessary changes in operating procedure.

He also suggested that the rule that the statement delivered insured be changed so it will not serve as a binder. Otherwise, insurers would have to file with each insurance department copies of all conditional sales contracts and other loan instruments.

The NALU would like to prohibit agents, brokers or persons affiliated with a creditor being designated agent or representative of insurer.

Mr. Cook cautioned that where the uniform small loan law is in effect tie-in sales are prohibited and licensees under that law do not sell insurance.

The blanks committee proposal to have companies show in schedule O of the annual statement losses and reserves on ten fire and marine lines ran into industry opposition, as did the recommendation of the technicians that in schedule T insurers provide a breakdown of reinsurance by state. Schedule O now shows reserves and losses on casualty lines other than those carried in schedule P. The purpose here is to provide a picture of how losses actually develop in relation to reserves, in the year following establishment of the reserves. The commissioners voted to keep these two matters, plus the "physical damage" one below, on the agenda but did not adopt them.

J. Raymond Berry, general counsel of National Board, urged that these two items be deleted from the blanks committee report before it is adopted and that they be held for further study by the committee and the industry.

The industry does not understand why it is necessary to include the additional fire and marine lines in schedule O. For uniformity? No need is shown for such uniformity. On the contrary the business can see no useful purpose in the extension because physical damage claims are inherently susceptible to prompt settlement, losses outstanding at the end of any year are current losses in process of adjustment plus litigated claims. The amount involved is infinitesimal, at the end of 1949 of 1.25 million fire and extended coverage claims, 26/1000 of 1% were in suit and only 917 were in suit at that time from prior years losses.

The additional expense and trouble of compiling the information would be an unnecessary burden.

The change suggested in T would require a review and renegotiation of all treaty reinsurance contracts of primary insurers and reinsurers. One multiple line company writing \$22 million fire and allied lines estimates the additional cost at \$20,000 to \$25,000 on fire lines alone. The proposal would require spreading certain types of reinsurance by states and lines which

would be impractical and give results subject to misinterpretation.

Mr. Berry also urged further study by commissioners of the blanks committee recommendation to establish a separate major line of insurance "other physical damage." This will consist essentially of elevator collision insurance which has a countrywide premium volume for all companies combined of about \$35,000 a year. The expenses of showing so little premium would be vastly out of proportion.

C. H. Graves of Mutual Insurance Advisory Assn. said the proposals are of very little value and call for considerable work by insurers. Commissioner Robinson of Ohio, chairman of the blanks committee, said the original suggestions came from examiners and they think the information called for would be helpful.

The arguments against the proposals were given full consideration, Russell Hooker of Connecticut said. These are run of the mill items which the technicians are capable of deciding. The proposal under T doesn't impose an additional requirement, that is already on the books but insurers have not been



D. D. Murphy, South Carolina, retiring president of National Assn. of Insurance Commissioners, at the Detroit meeting with Mrs. Oveta Culp Hobby, secretary of the Department of Health, Education & Welfare, and Joseph A. Navarre, Michigan, host commissioner.

uniformly complying with it.

(The proposal with respect to T is said to have been made after examiners found in one company group that companies in the group were exchanging reinsurance with one of the group's companies licensed in only two or three states and not showing a by-state breakdown.)

A. S. Kuenkler of U. S. F. & G., representing Assn. of Casualty & Surety Cos., said the proposals involve millions of policies and would require 48 additional punchings. The problem can be handled more simply, perhaps by a statement that no unauthorized insurance is involved. J. A. Diemand, Jr.,

(CONTINUED ON PAGE 39)

PEPPY FREDDY, the fieldman, says:

PROBATE BONDS THEIR SPECIALTY—
THEY DO NOT BOTHER YOU WITH REQUESTS
FOR UNNECESSARY INFORMATION...
NO STICKLERS FOR (A) INVENTORIES
(B) ANNUAL REPORTS
(C) JOINT CONTROL — IF THE
CASE IS HANDLED BY A
GOOD ATTORNEY AND YOU
CAN RECOMMEND THE
APPLICANT THAT IS
ALL THEY NEED



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CHICAGO 4, ILLINOIS • THE PIONEER ORGANIZATION

Returning Conventioneers Shaken Up by R.R. Mishap

There were quite a number of insurance people aboard New York Central's express from Detroit to New York, the Detroit, when it was partially wrecked as it pulled out of the Detroit station June 10. Several suffered bruises and sprains. Most of the insurance people aboard had been attending the convention of National Assn. of Insurance Commissioners.

Mrs. Dunham, wife of H. P. Dunham, vice-president of American Surety, sustained injuries to her back. John S. Johnston of the reinsurance firm of Oakley, Vaughan & Johnston of New York City, who was aboard with his brother, Joseph H., suffered a bruised left arm.

Among others who were on the train but who apparently suffered no ill effects from the jouncing they received were Thomas Dew of Chubb & Son; H. F. Richardson and A. Z. Skelding of National Council on Compensation Insurance and their wives; Joseph A. Neumann of Jamaica, L. I., executive vice-president of National Assn. of Insurance Agents; Carlyle Dunaway, counsel of National Assn. of Life Underwriters; Eldon Wallingford of Life Insurance Assn. of America; Ronald Swinford of New York Life, and Kenneth Force of National Underwriter.

The train had just begun to pick up speed when the fifth car attempted to go around a steel girder to the left though the engine and first four cars had gone around it to the right. As a result three or four of the cars were violently pulled apart and across tracks, some of which were torn loose. Fortunately the train was at that point still proceeding slowly.

Omaha Field Day Draws Crowd of More than 100

More than 100 turned out for the annual field day of Insurors of Omaha. The main activity, golf, was followed by a social period and dinner as the Omaha association wrapped up their functions for the summer.

Paul Cheyney, immediate past president of Iowa Assn. of Insurance Agents, was guest and he obliged by drawing prizes out of the hat.

William Naggs, president, presented Paul Toombs, secretary-treasurer of Insurors of Omaha with a token of appreciation for hard work in the association's behalf.

Dean Ames was in charge of arrangements. The field day was also well attended by field men and adjusters.

Business Should Employ Logic, Research: Winter

(CONTINUED FROM PAGE 19)
agent and company the best that could be had? Are the general production methods presently in vogue the best for all concerned? The fact that there are different systems in operation, with new schemes such as the over-the-counter sales of insurance in chain stores, raises the question in all its stark nakedness. We who believe in the American agency system may well be alerted to the fact that the world moves on and that the systems of yesterday may not be adequate to meet the needs of today.

"Should a reappraisal be made of the method of compensating the broker and the agent?" he went on. "Might he not be better off if he believed that his service would warrant a proper fee, paid by the assured in the same manner that a doctor or lawyer is compensated? Such a system would drive nepotism out of the business and leave the field clear for the professional producer."

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Phases of Agency Operation Where Most Can Be Done to Improve Service, Profit

After reviewing more than 2,000 fact finding analyses of agency operations, Robert B. Lawless, superintendent of the agency management service department of Phoenix-Connecticut group, found that one question almost invariably asked by all agents faced with the decision involving office systems or other operational procedure is, "How do other agents do this?" Mr. Lawless, speaking at the agency management forum during Pittsburgh I-Day, said agency problems are many. Sources of references are limited. Solutions are not easy to find.

An agent may want the answer to such questions as whether to file daily reports alphabetically or by expiration, how much to spend for advertising, whether to mail renewals automatically or whether to use collection form letters.

The conclusion Mr. Lawless reaches is that the real experts in agency management are the successful agents themselves. They know, or should know, the answers through experience.

There are 13 separate phases of agency operation. In the order of the number of requests that he has had for information and help, they are:

Modernization of agency records and filing systems—basic records and work simplification, daily report filing, and accounting.

Production planning and execution—planned organization for effective selling, selective selling and development of new prospects.

Legal and tax problems—agency agreements, purchase and sale of agency, perpetuating the one man agency.

Collection methods and control—systematized collection handling.

Establishment and maintenance of reserves.

Employee incentive plans—types of plans, guide posts in creating plans, sample agreements.

Office location, arrangement, equipment and work process.

Analysis of agency expense—comparison of operation costs with countrywide averages.

Techniques of policy writing—system and suggestions for efficient policy writing.

Claims—loss records and adjustments.

Agency advertising.

Profitable personnel administration—selection, training and supervision of employees plus job analysis.

Contacts with the public—good impressions in telephone, mail and personal contacts.

His company's experience over the past several years in assisting agents has proved a wide variance in net profit, perhaps as much as 30%. It has also revealed the rather startling fact that many agents, due to inadequate record systems, are unable to determine accurately what profit they do make each year. Many agents measure their success by their current cash position. This is really skating on thin ice, he said.

The purpose of an expense analysis is to determine whether the agency's net profit is more or less than average and to pin point the areas of excess operating costs.

According to the survey of National Assn. of Insurance Agents in 1953, an average of one girl is required to process \$65,000 in annual premiums.

He said he had interviewed a group of agents and found that the number of office employees per \$100,000 of annual premiums varied from less than one to almost five. The net profit in this group ranged from 23% to 65%.

Office payroll costs are regulated by the office systems to a large degree. Consequently, the system becomes of importance in determining the money the agent makes.

The system best for any agent is the one that will economically permit him to render fast and efficient service and give him the data by which he can judge the financial condition and progress of his business.

Many agencies continue to follow the same office procedure they did 20 years ago.

He pointed out that every agency must prepare certain basic records each time a policy is written—invoice, expiration, accounts receivable, customer's line record and follow up statements if the account is not paid after a certain period of time. The

multiple invoice is designed for preparing all these records in one typing.

His company asked 500 agents which of these basic records the agent prepares in a separate typing or writing operation. This survey showed 43% prepared separate expiration record, 55% a separate ledger record, 39% a separate line record and 72% follow up statements. Here are points at which the agent could substantially reduce office costs—through greater use of simple, well known short cuts.

He suggested cycle billing for better collection results and more even distribution of office work load. Yet 70 to 80% of agents mailed follow up statements to unpaid accounts on the first of each month.

A recent survey showed that 75 out of 100 agents file daily reports alphabetically by insured, the others by company and expiration date. Some authorities contend that if the agency has a number of large accounts with several policies per customer, alphabetical filing is better, but if the agency has mostly small, one policy customers, company-expiration is preferred. In the survey, 73 agents had mostly large accounts, 27 had mostly

small customers. However, Mr. Lawless believes there is strong evidence that the system of filing is responsible for the difference between account selling and policy selling. Sales minded agents know that alphabetical filing is vastly superior for production and service purposes.

Some agents estimate that \$300,000 of premiums justifies the purchase and installation of bookkeeping machines, others that mechanical bookkeeping is a must after \$250,000. The answer depends not so much on volume as the number of items processed and other considerations, he said. Human labor is the most expensive commodity on the market. Consequently, if a girl in an agent's office is doing something by hand that a machine would do considerably quicker, the agent cannot afford not to buy the machine. This applies also to typewriters, adding machines, calculators, duplicating and dictating equipment, addressing machines, mail handling machines, postage meters, etc.

His company some time ago inaugurated a mail campaign for exchange of ideas on cost reduction and profit increasing with progressive agents

To the A&H producer who hates to miss a good sale

If you sometimes have to pass up a good A&H prospect because you don't have the right coverages to fit his needs, it will pay you to investigate Provident's complete facilities. You'll get specialized service in such lines as Commercial . . .

Non-Cancellable . . . Monthly Premium . . . Intermediate . . . Special Risks . . . Franchise . . . and Group. You'll find just the right plan to do the right protection job for your prospect — and consequently the right income producing job for yourself. We would like to give you the full details. Why not write today?



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PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

Chattanooga—Since 1887

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL



Special Tools for Compensation

If you write insurance for firms which are self-insurers for Workmen's Compensation, you have need for the special tools provided in the reinsurance market by Illinois R. B. Jones Inc. Specific Excess insurance for each accident is in this category. Then there is Aggregate Excess to limit losses in any one year to a fixed percentage of the normal Compensation premium.

We'll relieve you of concern over the technicalities involved in these forms and in Retrospective Penalty insurance.

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When You're "Figuring" Things Up . . .

Remember You Can

- + Add OUR KNOW-HOW
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- Subtract YOUR WORRY
- = It All Equals' GOOD BUSINESS



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Specializing

IN WORKMEN'S COMPENSATION AND ALL LINES
OF LIABILITY COVERAGE

throughout the country. It now has a mailing list of thousands, many of whom have contributed excellent ideas. He noted that a leading manufacturer of office machines recently announced the development of a new paper which provides multiple copies of business forms without using carbon inserts. He urged agents to keep a constant lookout for ideas and short cuts, new and old, which can save money in office operations.

Good management means many things more than expense control, service cost reduction and a good office system. It means a planned personnel program, high employee morale, prompt and efficient service, attractive and efficient office arrangement, effective collection control and prompt handling of losses. It means time to see, sell, and serve customers and it means a customer account analysis program. It means up-to-date agency agreements, sound advertising programs, high standard of public relations.

One thing needs to be added to this, accumulation of an adequate reserve fund for emergencies. Reserves are needed for unearned commissions, bad debts, taxes, depreciation and such contingencies as enforced absence from supervision of the agency due to accident or prolonged illness. Some agents say the equivalent of three months' commission, or six months' commission, or perhaps even a year, would be an adequate reserve. His company conducted a nationwide survey of 3,000 agents last year and discovered that only 6% had set up a reserve for even basic contingencies. There should be a systematic savings program to set up such reserves for the benefit of the agent, the agency, partners and family.

Lloyds of N.A. Is Officially Broke

The trial on the solvency of Lloyds of North America ended abruptly last week before Governor Shivers of Texas and his political opponent, Ralph Yarborough, could testify, when Ralph W. Hammonds, attorney in fact for the company, confessed insolvency and an order was handed down for permanent receivership. The state liquidator will take over all property of the company together with Motor Club of North America and Trust Co. of North America, stripping Hammonds of all his property except his home in Houston, two cars and his home and office furnishings.

It was stipulated that the judgment is not to consider whether there was fraud connected with the company's organization as had been alleged by the state attorney general. This does not preclude any future action any district attorney might want to take in the matter, however.

Until the day Hammonds announced agreement to insolvency, he had insisted his firm was financially all right and had demanded a jury trial. The case, because of its political implications, received a great deal of publicity in the newspapers and the names of the governor, his opponent, aides to the governor, former aides to the governor, insurance people connected with now defunct Lloyds organizations with which Hammonds was connected, and others were bandied about repeatedly. None of this got into the courtroom, however.

The combination of the Lloyds of North America case with that of Texas Mutual had been a potent incentive for a revision of the Texas insurance laws, a program which is under already through the medium of the legislative council. The newly organized Insurance Policyholders Assn. has announced it is preparing a program of revisions, contending that insurance reform as a major political issue may leave the policyholders in the middle.

San Angelo Hail To Cost \$2½ Million

The National Board has assigned catastrophe serial number 49 to the hailstorm at San Angelo, Tex., June 7, which caused damage estimated at more than \$2,400,000. There was another storm the same day at Big Spring with a loss of \$750,000.

At San Angelo, hail came in from the northwest and caused damage to roofs of two-thirds of the property in the city. Many automobiles were hit. The hail was accompanied by rain estimated from 2 to 6½ inches in various parts of the city, while the hailstones in some cases were as large as baseballs. Preliminary estimates indicate a possible 8,000 claims averaging \$300 apiece, after applying the deductible. A severe storm hit Big Spring, 90 miles northwest of San Angelo five hours later on June 7. At Big Spring there will be approximately 3,000 claims averaging \$250 after the deductible.

Casualty & Surety Assn., N. Y. Elects Holdsworth

A total of 86 fire and casualty companies now are subscribers to AFCO incorporated, the new premium financing organization, AFCO vice-president W. E. Unzicker told the annual forum of Casualty & Surety Assn. of New York. Other companies are planning on joining, he said.

Lester C. Holdsworth, assistant manager control department Home group, was elected president of the association, Joseph Michals, accounting supervisor American Auto, vice-president; M. J. Dellarosa, Fidelity & Casualty, treasurer, and Walter Honald, Fidelity & Casualty, secretary.

AFCO plans now are effective in all states, Mr. Unzicker said. He traced the history of the company, and said agents and brokers now are able to sell fire and casualty insurance similar to the way in which other commodities and essential services are merchandised.

Take Reinsurance Off NAIC Agenda

National Assn. of Insurance Commissioners removed the subject of London Lloyds reinsurance from its agenda on recommendation of the executive committee. It had been a subject of spirited debate for six years and had been reported upon by several committees and subcommittees.

Murphy of South Carolina in the resolution adopted by the executive committee by a vote of 10 to 4 said the subject had been on the agenda several years, had been considered and studied from all angles, had aroused differences of opinion, and further studies seemed unlikely to produce worthwhile results. Consequently it should be remanded to the states for handling in accord with individual state laws.

The executive committee vote was Missouri, Louisiana, Oregon, Mississippi, Rhode Island, Maryland, Georgia, South Carolina, New Hampshire, and Virginia in favor of the Murphy resolve and Pennsylvania, South Dakota, Nebraska and Nevada against.

Dayton Elects Winifred Barnes

New officers of Insurance Women of Dayton are Winifred Barnes, president; Violet Gilcher, vice-president; Samantha Dafler, recording secretary; Mildred Bailey, corresponding secretary, and Geraldine Miller, treasurer.

Ad Men, Agents Swap Ideas at Montauk Point

(CONTINUED FROM PAGE 3)

paper use betrayed their foreign origin by fancy type and style entirely out of harmony with the typographical makeup of the home town messenger. But still circulars illustrated by 1935 automobiles and airplanes went too far in suggesting the village atmosphere. Some drawings were too crude, Mr. Gilmartin said, to command respect from the man whose eight-year-old son could do better.

Only individual consideration to local needs would do the job, he declared, since clients were not impressed by opening envelopes out of which circulars burst like popcorn. Let the agent make up a letterhead unmistakably local and personal. The expensive company annual report was not effective in promoting confidence that the claim would be paid when the loss occurred—what the insurance buyer most wants to know. The agent, when eager to use advertising material, must still do his own selection and thinking, concluded Mr. Gilmartin.

Arthur O'Connell, Tom Wood agency, Cincinnati, urged company advertising men to write copy which would sell people on wanting to listen to their local insurance agents. He saw too many ads designed to attract many eyes whether or not they belonged to prospective buyers. He urged concentration on getting attention from those who could buy insurance. That he thought could best be done by talking about insurance rather than votes, constitutions, historical relics—none of which are for sale by agents. When an ad urged consulting a local agent, the reader should be nudged in the ad to seek some additional specific information about insurance.

Emphasis on stock company insurance misses the mark today when the chief competitive specialty writing companies are also stock organizations, said Mr. O'Connell. Agency service is the one distinctive difference to be highlighted today.

Local agents can take the lead themselves in doing positive advertising locally, declared G. H. Story, Roger Clarke agency, Fredericksburg, Va. His agency used hard hitting, straight from the shoulder advertising in local papers, listing the advantages of buying from the local agent. No attempt is made to disguise the competitive nature of the advertising.

Since agents are by nature individualists, said Ambrose Bullen, Great Neck, N. Y., agent, they can best be helped by advice and counsel from company advertising men on how to do an effective job of local sales promotion geared to their own personalities and territorial needs. Ernest D. Latham, Latham-Stevens, Harrisburg, Pa., said advertising should reflect the purpose of an agency to be intelligent buyers of insurance for the clients. That idea can be illustrated and is more powerful than a presentation bristling with sales pounding, in his judgment.

IAC might make some local studies of insurance marketing needs, showing how a local agent could analyze his own advertising requirements, suggested Mr. O'Connell, who also promoted the closer liaison between IAC and NAIC.

Several speakers including Mr. Gilmartin, Theodore Budlong, National Board, and Mr. Latham, would have insurance advertising say, "welcome

your local agent" rather than "see your local agent", stressing the active service of the agent rather than a demand for service from the policy holders.

T. Ramsey Taylor, U.S.F.&G., presided at the Monday afternoon session when IAC members presented ideas to meet desires of agents as expressed in the morning session. Alwin Bulau, Home, doubts that companies will fail to play up their own names in national advertising any more than local agents will fail to play up their names in local advertising. He said Home advertising was now placing the local agent in the center of the picture.

Harry Helm, Glens Falls, reported excellent cooperation now between a number of company advertising departments and local agents in building local advertising programs. W. H. Doty, Aetna, suggested more publicity by IAC to advertising efforts of local agents including many who did not win contests. Mr. Doty also would have company sales schools find some time for advertising study. Irving Bothwell, Commercial Union, said special agents were too crowded with other

details today to be counted on for promoting use of advertising material. E. R. Hurd, Jr., American Associated Cos., finds it effective to travel with a field man for a week, thus learning the field requirements of both local and special agents.

Robert Brown, Aetna Life, summed up the keynote of the day's discussions by quoting in full the editorial in last week's NATIONAL UNDERWRITER headed, "Agent Is Best Public Relations Man Business Has." Edwin E. Sterns, Travelers, reported that ads stressing local agency services were not easily constructed for national use to pass examination from underwriters, actuaries, legal counsel and local agents themselves. He commended agents who undertake sustained advertising rather than "one shot" anniversary puffs.

Mr. Doty warned against agency advertising centered on defending a system of distribution while agency rivals were doing hard selling personally and with the printed word. He would like to see more stress on identifying agents qualified by CPCU degrees or other recognitions.

Costs Must Be Reduced Says Hines at SEUA Meet

(CONTINUED FROM PAGE 1)

to promote the program.

He expressed assurance, however, that the business will find a course that serves all interests and at the same time can furnish the public with better protection at less cost. It is well to have different views, but would it not make for stability if they could be resolved within present organizations rather than having those weakened by the creation of new ones?

There are 1,700 cotton gins in the four SEUA states that now receive periodic inspections. These reports should improve conditions and reduce losses, in addition to assisting underwriters and producing fairer rates.

SEUA engineers, with representatives of other bureaus, are developing a uniform set of standards for cotton gins that should provide an up-to-date approach to the problems of this class. The importance of this work can be better appreciated if the part played by cotton in the economy is kept in mind.



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Special:

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FINANCE LINES
Single Interest Available

FIRE & ALLIED LINES—BURGLARY—PUBLIC LIABILITY
SURPLUS AND EXCESS LINES

MID-WEST INSURANCE COMPANY IS THE
AGENTS' AND BROKERS' COMPANY

Why delay your inquiry?

A CAPITAL STOCK COMPANY

AFIA Has Contract Bond Division

A new surety bond division, specializing in contractors' performance bonds, has been initiated by American Foreign Insurance Association. The new development will be under the direction of R. Maynard Toelle, secretary in charge of casualty.

The growth of overseas construction, both private and public works—airports, tunnels, hydro-electric installations, bridges, highways, and other vital projects—has improved the market for contractors performance bonds considerably, L. C. Irvine, general manager, said. Two important objectives can be achieved by entering the market, in addition to developing and important artery of business for the company and American brokers, he pointed out. First is the assistance which can be given foreign governments, in whose territories the company operates, by providing them with vital information on American contractors and construction practices. Second, the company can write and service the overseas performance bonds for American contractors.

Foreign governments are demanding more and more that contractors establish credit and good faith on their public works projects, he said. When this relatively new overseas market is added to the already existing market of American government projects abroad, the potential the field provides for American brokers can be appreciated.

There are probably no more than 200 American contractors who have been handling the bulk of overseas construction work in recent years, but practically every highway, bridge or public utility contractor in the U. S. is a potential contractor for this type of work, he said. Accordingly, just about every established insurance broker in the country has a good chance of developing business in the area.

Stewart Smith (Ill.) Expands Its Facilities

Stewart, Smith (Illinois), Inc., has announced that their facilities have recently been greatly expanded, and they can now usually handle risks which in the past have been beyond the capacity of the market. In line with the expansion now under way, they are making plans to increase substantially the size of their office staff and are taking over the entire 39th floor of the Board of Trade building and part of the 40th floor. The new office will be in the last word in every respect and one of the finest in the U. S.

The firm is also paying its employees a mid-year bonus based on length of service. One unique feature of the bonus is the fact that it will be paid in government savings bonds.

Hartford Names McGarry Special Arizona Agent

Hartford Accident has appointed Andrew T. McGarry as special agent in Arizona, with headquarters at Phoenix. He will assist Special Agent Wallace Perry.

Mr. McGarry, an air corps veteran, has been with the Hartford since 1946 in the Pacific department and was also a special agent in the Sacramento valley for some time. For the past year, he was associated with the Jack Kitcher agency in Oroville, Cal., and recently returned to the company.

TOTALS

Including ALL COMPANIES whose figures are shown in the Argus Casualty Chart, EXCEPT those companies for which reference is made to the Argus Fire Chart. REINSURANCE Companies include only the stock companies doing an exclusively reinsurance business. For LIFE Companies and FRATERNAL Societies, Financial Report and Increase in Surplus include Life Department; Operating Report and Gain from Underwriting are A. & H. only.

FINANCIAL REPORT					OPERATING REPORT					NET RESULTS				
	Number of Co.'s	Year	Assets	Liabilities	Surplus to Policyholders	Net Premiums Written	Premiums Earned	Losses & Loss Exp. Incurred	Underwriting Exp. Incurred	Ratio to Premiums Earned	Exp. to Writ.	Combined Ratio	Net Gain from Underwriting	Increase in Surplus
All Companies	1000	1953	71,671,777.316	64,181,527.069	7,490,250.417	8,684,761,301	8,867,581,653	5,521,590,414	2,332,210,294	66.0	26.4	92.4	554,790,547	688,152,286
	950	1952	63,488,921.506	57,496,227.335	5,992,694.171	7,130,019,689	6,835,044,369	4,683,677,911	1,923,790,347	68.3	27.1	95.4	242,738,111	406,182,302
Stock Companies	262	1953	7,923,157.49	6,003,471.532	1,919,685.957	2,438,297,176	2,463,192,500	2,060,437,588	1,210,776,244	59.5	23.3	92.8	191,958,668	146,827,794
(Excluding A. & H. and Life)	258	1952	7,192,909.106	6,482,996.306	1,609,912.700	2,182,422,468	2,011,813,296	1,988,977,509	1,677,587,278	61.4	33.8	97.2	35,760,797	115,896,873
Reinsurance Companies	4	1953	248,722,639	178,700,622	70,021,017	77,996,990	75,947,757	41,674,247	26,165,250	55.1	26.1	91.2	5,908,169	2,521,911
(Included in Stock Companies)	7	1952	258,605,839	186,382,220	72,223,619	85,612,865	82,650,282	49,676,248	33,973,132	60.2	26.6	100.4	1,699,476	6,675,574
Foreign Companies	10	1953	200,462,871	127,439,372	73,023,499	227,678,065	215,439,859	129,429,520	70,419,770	60.1	24.9	95.0	4,591,563	6,005,969
(Included in Stock Companies)	11	1952	207,735,254	135,869,901	71,865,353	209,924,127	199,465,540	127,456,263	73,094,509	63.9	25.1	99.0	1,625,122	6,881,753
Stock A. & H. Companies	263	1953	59,631,065.429	55,196,075.987	4,434,989.442	1,660,061,905	1,618,427,706	1,121,478,121	412,981,618	69.2	24.9	94.2	83,969,569	274,008,399
(Including A. & H. Depts. of Life Companies)	236	1952	55,118,681.347	49,991,176.182	5,127,505.165	1,367,346,963	1,335,994,970	920,667,728	359,744,372	59.7	26.3	88.0	41,531,979	196,454,636
Mutual Companies	113	1953	2,022,470,736	1,570,714,336	451,756,400	1,466,812,229	1,490,285,844	919,106,179	318,046,093	65.6	21.7	92.3	163,130,602	66,588,662
(Excluding A. & H. Companies)	149	1952	1,722,800,953	1,316,194,320	406,606,633	1,227,338,846	1,184,007,627	808,297,751	291,161,110	67.9	22.7	90.6	99,448,706	30,023,809
Mutual A. & H. Companies	50	1953	193,017,903	109,524,854	83,493,049	170,384,495	168,679,633	106,679,633	62,707,862	62.3	25.7	96.0	1,800,970	6,338,205
	46	1952	229,490,135	142,103,487	87,386,648	157,299,536	152,514,653	95,869,624	54,546,640	61.6	27.1	96.7	98,399	1,883,994
Fraternities	13	1953	375,034,165	269,845,623	105,188,542	20,815,078	20,197,119	10,287,505	5,938,867	52.4	28.5	80.9	3,670,747	1,179,984
	10	1952	391,326,608	160,131,238	21,189,460	15,101,060	.....	7,652,649	7,346,107	140.4	46.6	80.6	.....	2,000,736
Hospital & Med.-Surp. Companies	152	1953	564,458,918	372,922,339	191,536,579	1,116,850,725	1,116,850,725	964,462,224	30,633,861	84.4	8.4	94.8	28,754,640	46,915,426
	151	1952	457,023,163	218,509,012	240,523,151	986,124,718	946,026,122	817,516,331	84,029,896	88.4	8.9	95.3	41,477,895	49,866,606
Reciprocity & Lloyds	49	1953	367,531,454	245,123,645	122,407,809	300,352,964	296,588,728	168,113,297	81,541,513	58.6	27.1	85.7	27,296,828	19,658,342
	48	1952	316,409,104	208,839,830	107,569,274	260,324,941	244,664,631	152,294,627	70,671,874	62.5	27.1	89.6	20,615,743	8,807,028

†) Ratio of Losses and Loss Expenses Incurred to Net Premiums Written.

*) Ratio of Losses and Loss Expenses Incurred to Net Premiums Written.

TOTALS—CLASSIFICATION OF 1953 BUSINESS

CLASSIFICATION	635 STOCK COMPANIES * (Including A. & H. Depts. of Legal Reserve Life Companies)				243 MUTUAL COMPANIES * (Excluding Hospital & Medical-Surgical Companies)				51 RECIPROCAL AND LLOYDS *			
	Premiums Earned	Losses & Loss Expenses Incurred	%	Premiums Earned	Losses & Loss Expenses Incurred	%	Premiums Earned	Losses & Loss Expenses Incurred	%	Premiums Earned	Losses & Loss Expenses Incurred	%
Accident	114,683,563	41,752,756	36.0	16,221,423	8,306,014	51.2	867,156	389,390	45.0	.....	.....	.....
A. & H., Ind. Life & Hospitalization (not separate)	584,144,682	282,414,412	48.3	171,296,848	100,638,963	58.7	1,352,133	738,349	54.6	.....	.....	.....
Group A. & H.	1,221,822,628	945,126,288	77.4	63,369,282	56,334,629	89.4	27,159	5,044	18.6	.....	.....	.....
Non-Can. A. & H.	75,779,565	24,768,712	32.7	1,849,312	1,160,704	62.8	70,704	61,763	87.4	.....	.....	.....
TOTAL ACCIDENT & HEALTH	1,998,480,143	1,307,062,168	65.5	257,838,569	165,022,319	64.6	2,317,192	1,305,547	56.3	.....	.....	.....
Auto Physical Damage	601,089,420	209,825,023	34.9	282,254,225	159,691,972	56.6	110,585,212	54,183,495	49.0	.....	.....	.....
Auto Liability	1,035,734,161	637,094,739	61.6	283,112,113	285,344,121	69.1	84,012,983	52,304,923	62.3	.....	.....	.....
Auto Property Damage	823,302,915	309,745,382	37.7	205,190,132	106,334,629	51.8	52,978,785	29,780,602	56.2	.....	.....	.....
Other Auto	1,520,454	1,127,193	74.5	234,696	152,849	65.3	1,291,950	60,383	4.7	.....	.....	.....
TOTAL AUTOMOBILE	2,160,686,950	1,277,702,338	59.1	865,791,606	550,456,797	63.2	247,778,930	136,329,493	55.0	.....	.....	.....
Beller & Machinery	38,740,725	9,545,185	24.6	14,856,157	2,374,179	16.0	169,790	188,882	111.3	.....	.....	.....
Burglary	97,418,410	37,258,239	38.2	5,648,976	2,615,411	46.3	539,862	202,633	37.4	.....	.....	.....
Credit	7,974,368	1,694,917	21.3	479	210	50.1	.....	.....	.....	.....	.....	.....
Fidelity	64,699,941	30,045,970	46.5	2,281,095	1,856,853	81.4	730,322	329,479	45.1	.....	.....	.....
Glass	35,074,758	12,967,264	36.9	3,510,195	1,474,297	42.0	25,149	6,700	26.7	.....	.....	.....
Liability (not Auto)	312,354,078	175,901,578	56.3	73,340,093	48,210,580	65.8	6,790,124	2,172,944	32.0	.....	.....	.....
Live Stock	1,329,686	621,267	46.8	29,099	16,000	55.0	1,480,098	708,067	47.8	.....	.....	.....
Property Damage & Collision (not Auto)	72,836,190	35,062,679	48.1	37,777,740	10,609,490	28.1	1,091,412	470,630	43.0	.....	.....	.....
Surety	128,668,190	36,234,463	28.2	1,483,623	621,627	41.9	57,813	7,655	13.2	.....	.....	.....
Workmen's Compensation	617,981,156	455,587,760	73.7	277,555,042	254,407,493	91.7	22,833,522	17,924,749	78.6	.....	.....	.....
Miscellaneous	22,536,137	16,327,695	72.5	918,338	525,011	57.4	806,478	528,200	65.6	.....	.....	.....
GRAND TOTAL	5,554,370,646	3,366,992,939	60.6	1,643,638,094	1,049,637,218	63.9	294,658,102	160,387,746	54.4	.....	.....	.....

*) Includes Casualty business of all companies appearing in the Argus Casualty Chart, including fire and life companies.

Casualty Premiums Pass \$8½ Billion, Chart Shows

(CONTINUED FROM PAGE 3)
companies for which figures are reported, resulted in a substantial increase in the size of the Argus Casualty Chart which, this year has a total of 190 pages. Only by adding some 14 pages was it possible to keep up with the steady gain in number of companies entering the casualty field, both for A&H and general casualty lines. Some 15 predominantly fire companies that

are writing a large volume of casualty business and 32 additional stock accident and health companies, including A&H department of life companies, are shown for the first time in the 1954 edition.

The 1954 Argus Casualty Chart has continued its method of showing one year results of predominantly fire companies with a reference to the companion Argus Fire Chart for complete statistics and as mentioned above has extended this type of exhibit to 15 more stock companies and 12 additional

mutual companies. Other interesting features of the new edition are its special tabulations and listings giving A&H results, its detailed underwriting and investment exhibit, and a listing of where the companies operate, etc. The Argus Casualty Chart, like its companion in the fire insurance field, sells singly at \$2.25 per copy and considerably less in quantities. Copies may be ordered from the Reference Book Department of The National Underwriter Co., 420 East Fourth street, Cincinnati 2, Ohio.

Annual Meeting of N. C. Mutual Agents Under Way

The completed program for the annual meeting of North Carolina Assn. of Mutual Insurance Agents, now under way at Blowing Rock, is as follows: Griffith Levering, vice-president of the Kemper group at Philadelphia, is speaking on "How to Meet the Competition of the Direct Writer"; E. J. Raabe, assistant secretary of Central Mutual Fire, "The Meaning of the New Marine Definition."

From the national association will be Harry Uhler, Baltimore, president, speaking on the problem of coercion, and Executive Secretary Philip L. Baldwin, Washington developments.

S. A. Chalk, Jr., Chalk & Gibbs agency, Morehead City, and H. B. Robinson, Raleigh, will conduct panels, and there will be talks by Insurance Commissioner Gold and Motor Vehicles Commissioner Scheidt.

President H. J. Carr, Carr & Dale agency, Clinton, will conduct the busi-

ness session, which will include election of officers and a discussion of problems affecting the local agency system. Toastmaster at the annual banquet will be H. Clay Cox, John Ratteree agency, Greer, S. C., and the Millionaires party will close the meeting.

Sellers to Arkansas for Aetna Fire Group

Special Agent Allen O. Sellers has been transferred from Virginia to his home state of Arkansas by Aetna Fire group. He joined the Aetna in 1941, in the fire underwriting department, and then in the inland marine and special risks departments. After service he was special agent at Rochester, N. Y., and in 1948 transferred to Virginia. He will have headquarters at Fayetteville, where he succeeds J. Gordon Davis, who has resigned to enter the local agency business. Mr. Sellers will be associated with State Agent Thomas H. Bramhall and will concentrate his efforts in assisting agents in the northwestern part of the state.

Fight "Free Insurance" Phrase in Ads in Conn.

Many complaints are being made in Connecticut regarding the advertisements of dealers in certain types of merchandise, including automobiles, which offer free insurance policies in connection with the sale of merchandise.

The insurance department has been cooperating with agents in such cases and has asked for any additional examples of such practices.

Asks City Insurance Board Code

A schedule of requirements for appointees to the insurance committee has been suggested by Carl I. Griffin, Roselle Park, N. J., local agent, to the borough council.

A controversy arose over such appointments when Mr. Griffin was proposed for appointment to the committee, but the council refused to confirm it.

NAIC OKs Vigorous Action on A&H Complaint Sources

(CONTINUED FROM PAGE 33)

of North America said his company reinsures dozens of small insurers and breaking down such reinsurance would multiply its work 49 times and the work of the insurers by the number of states they operate in.

Vestal Lemmon of National Assn. of Independent Insurers commented that Insurance Accounting & Statistical Assn. at its recent annual meeting seriously urged deferring the filing date of annual statements because of the tremendous burden now on companies to meet the present deadline. He urged that no additional burden be placed upon insurers.

Substantially all of the other recommendations of the blanks committee made after its April meeting in New York were adopted.

The uniform accounting committee, headed by Lange of Wisconsin, voted to table the subject of use of the insurance expense exhibit indications in rate making. The other matters on the agenda will continue to be studied by the UA subcommittee. Fischer of Iowa expressed himself vigorously on the fact that the subject of UA and rate making was still being pressed, after defeat of the idea at Miami.

The rates and rating organization committee will name a subcommittee to study requests by National Board to reduce the breakdown in sprinklered risks, for statistical purposes, from six to three and to revise the classification for sprinkler leakage and water damage by discontinuing the present classifications by damageability. The subcommittee will report in December.

National Board suggested three sprinklered risk groupings, which would parallel the broad groupings of non-sprinklered fire risk—sprinklered risks mercantile, building and contents; SR non-manufacturing including habitation, building and contents; and SR manufacturing, building and contents.

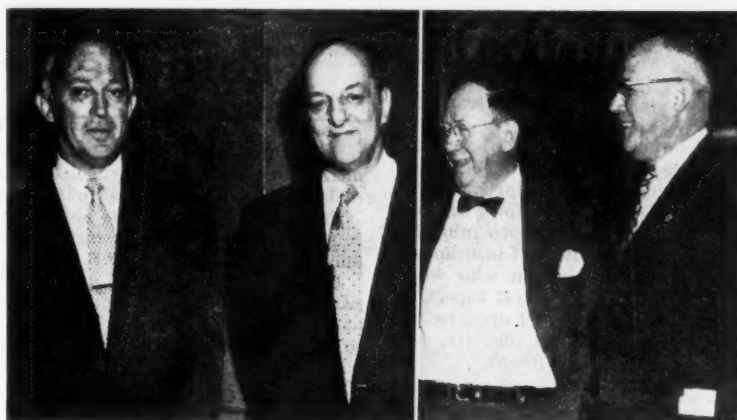
Presently sprinkler leakage gets a 25 subdivision breakdown, water damage 21. Premiums involved are small. National Board would establish a contents classification for sprinkler leakage of limited occupancy manufacturing, ditto non-manufacturing and multiple occupancies, and for water damage sole occupancy and multiple occupancy.

A special subcommittee of the fire and marine committee, consisting of Leslie of Pennsylvania, Northington of Tennessee, and Davis of Mississippi, was appointed to re-study the question of how companies shall set up reserves on installment payments of term business in the annual statements.

The committee stated in its report that the reason for the re-study is that under the statutory provisions of some states reporting cannot be made on the basis of the June, 1951 recommendation and that other accounting difficulties have resulted from the application of the recommendation. The 1951 recommendation was made by the New York department and provided for treatment of such premiums in the statement as annual business.

Gaffney of New Jersey included in his report on unauthorized insurance letters from several commissioners who wrote in response to his invitation for information about unauthorized insurer practices and suggestions for handling the surplus line situation.

One was from Kavanaugh of Colo-



Harold Wayne, general manager of Inland Marine Insurance Bureau; Armand Harris, St. Paul F. & M.; C. F. J. Harrington, executive vice-president of National Assn. of Casualty & Surety Agents, and C. C. Fraizer, general counsel of H. & A. Underwriters Conference, photographed by Harry Fuller, midwest manager of the National Bureau, at the commissioners' meeting at Detroit.

rado, who said the most direct and least offensive solution would be enactment of a law by all states similar to Colorado's which provides that if the commissioner finds any insurer domiciled there which is doing business in another jurisdiction without being licensed he may revoke the license in Colorado. Any other statutory attempt to solve the problem invites legal difficulties, including possible federal intervention, and serves to destroy comity between the states, which must be preserved if state regulation is to continue.

Colorado does not have an unauthorized insurance problem. It did have some difficulty ten years ago or so but the surplus lines act and regulations of unauthorized reinsurance cured it. There is no statutory panacea for unauthorized insurance. The solution lies in effective regulation of domestic companies by the commissioner, he wrote.

Fischer of Iowa also emphasized firm regulation by the respective states. Coverages not available through licensed insurers is inconsequential, and this is not the area of unauthorized insurance where the major trouble arises—that is in connection with A&H and reinsurance. He suggested adoption of unauthorized insurers process act, which his state has. Iowa statutes do not permit credit for unauthorized reinsurance in setting up reserves.

Jackson of Maryland suggested laws prohibiting a domestic company from transacting business in every other jurisdiction without a license there, prohibiting a domestic company issuing for delivery to a resident of another state a policy disapproved in the home state, and making all advertising of any company subject to approval by the commissioner of the state in which the advertisement is to be circulated.

It is a rare coverage an authorized company can't handle, he wrote. The supposed demand for unauthorized insurance is to satisfy requests for a low rate or to provide cover for an undesirable risk.

Navarre of Michigan said his state has a law prohibiting a Michigan company doing business in any other state without being properly licensed by that state. He does not have a surplus line agents licensing law but does have one permitting writing of excess or refused risks. Michigan has the unauthorized insurers service of process act.

Sheehan of Minnesota said he would like some way to bar foreign companies soliciting insurance by mail but doubt-

ed if legislation on this point would be constitutional. In Minnesota the department has tried to educate citizens not to buy unlicensed insurance which is about as far as it can go under state law. This education has had some effect, he believes, because the inquiries received by the department on unauthorized companies have been few in recent years.

Robinson of Ohio said the evil in the worthless insurance has become pronounced. His department urges citizens to buy only from licensed insurers and agents.

Knowlton of New Hampshire thinks admitted companies should be encouraged to take more risks now going to unauthorized insurers. Commissioners should be encouraged to seek strengthening of their state laws and regulations, particularly as to financial condition of insurers. They should have a surplus line law, laws should be reciprocal, and see if changes cannot be made to permit competition between admitted and non-admitted insurers.

Taylor of Oregon advocates strict enforcement of surplus line laws, possibly requiring an inspection bureau or stamping bureau be established to review the writings of surplus business.

Bowles of Virginia indicated his

state does not have a surplus line law. He said he had suggested to Senator Langer that consideration be given to legislation prohibiting mail use by insurers not licensed in states to which mail is directed.

The valuation of law amendment committee, a subcommittee of the workmen's compensation committee received a report from H. F. Richardson, general manager National Council on Compensation Insurance, on the progress of the study of wage distributions, one element that enters valuation of the effect of law amendments. Frank Harwayne of the New York department recommended that the advisory technicians be directed to continue their study of the subject. After receipt of additional exhibits from the council and study of them by technicians, a final report perhaps can be presented at the December NAIC meeting. The committee approved the recommendation.

A. Z. Skelding, assistant manager of the council, said it expected to furnish technicians by early September results of the analysis of data by the council in this field.

There was no report from the subcommittee on WC small policy economies.

The subcommittee on fire safety standards and specifications for hospitals, old folks homes and nursing homes heard a discussion of the subject by Jensen of North Dakota. He said he was concerned about adequate rules and regulations necessary to provide fire safety for such institutions in his state. It was suggested that many states presently do have regulations which appear adequate and that Jensen might contact such states to obtain copies of their rules and regulations.

The subcommittee was discharged and the fire prevention committee asked that it be continued as a standing committee until need arises for activating it, since it has no agenda.

The fire and marine committee discarded the 1921 profit formula from the agenda. Mahoney of Maine, chairman of the subcommittee on auto rates by driver classification, said his group had decided that further study of the subject is not justified and recommended it be tabled and the subcommittee discharged. At the Mahoney meeting J. M. Muir of Mutual Insur-



Photographed at the NAIC meeting at Detroit by Harry Fuller, midwest manager of National Bureau of Casualty Underwriters: Top, left to right, Commissioner George Burt of South Dakota; Hugh Tollack, secretary NAIC, and Wheaton A. Williams, president of Fred L. Gray Co. of Minneapolis.

Bottom, group of staff members from Association of Casualty & Surety Companies, Robert N. Gilmore, assistant counsel; Ray Murphy, general counsel, and Roy Davis, midwest manager.

ance Advisory Assn. reported that the joint industry committee still opposes the program of insuring the driver. Robert C. Rodruck, local agent of Seattle, favored the plan and told the committee that an independent study of the proposal will be made.

Indiana had asked for a number of items to be placed on the agenda of several committees, including one for fire and marine dealing with the fire rate portion of the indivisible premium applicable to homeowners policies A and B, but Indiana withdrew them or did not appear on their behalf and hence they were stricken from the agenda, including the one on homeowners.

There was considerable discussion at the meeting of the Blue Cross-Blue Shield subcommittee on terminal maternity liability, or deferred maternity reserve. The subcommittee agreed to accept briefs from interested parties. The subcommittee then will hold a special meeting on the subject before the December NAIC convention.

Jay C. Ketchum of Michigan Medical Service said that a state by state summary of the statutory provisions relating to Blue Shield will be submitted to the subcommittee in a month or so.

The examinations committee went on record recommending triennial examinations for all types of insurance companies.

Zone 3 voted to hold its meeting next year May 1-4 in Louisville. Zone 5 will meet in Santa Fe in the spring.

Public Relations Dominant Theme at A&H Meeting

(CONTINUED FROM PAGE 2)

and-answer panel sessions on health subjects. He suggested that the international association inform every local organization of what was done in Seattle in gaining public interest.

Fundamentals in the steps of the sale, from prospecting to the approach, the presentation, meeting objections, and closing, were largely reviewed in the session-long sales clinic, of which Clifford McDonald, International Fidelity, Dallas, was moderator.

Eugene V. Boisauvin, agency supervisor for General American Life, St. Louis, discussed prospecting as the heart of the sales problem. He exhibited a large red "prospecting heart" which showed some of the arteries that pumped prospecting blood into it. These, as sources of prospects, are: policyholders, new buyers of policies, people who did not buy, claims paid, newspapers, men and women over age 55, children, blue-shirt workers for non-occupational coverage, sole proprietors, business insurance life cases, guest books for patients, where the agent lives, where he buys, the occupational section of his rate book, and where he visits.

He brought out that prospecting today is either a problem or a process. When it ceases to be a problem and becomes a process, then the agent is on the road to success. He said prospecting must become a habit, and that the agent is not long for the A&H business who does not carry a notebook in which he can put the names of prospects through the day.

E. D. Speer, manager, Great American Reserve, San Antonio, outlined fundamentals of the approach as used in the disability insurance sales course in Texas. In likening prospecting to hunting, he said there are two ways to get game if the technique of the ap-

proach has not been perfected. One, called "still hunting," is to wait for the game to come to the hunter. The other way is to prowl noisily looking for the game and thereby scaring it away.

He said there is the mental approach and the physical approach. The mental aspect of the approach starts, he said, "when you first, deep down in your own heart and in your own mind become convinced that A&H insurance is a must for every person who works for a living." The physical aspect, he said, includes the way of dressing and interview manners. Be pleasant, sincerely so, with settled intent.

There are three main kinds of prospects the agent can approach: friends and acquaintances, referred leads, and cold canvass. "If you are going to talk to your friend about insurance, make it an insurance call. Then the interview can be controlled by you." A referred lead is a friend of a friend, and the agent must be prepared to get off of that basis and onto one of his own. The bugaboo of cold canvass is one that scared most salesmen, but experience with it is good training.

In explaining his ideas about the presentation, Alfred K. Perego of the Alfred Perego agency, Milwaukee turned back to the tried and still true basic fundamentals: get attention, gain interest, create confidence, make the close.

"You can be an expert at prospecting, you can be an expert with the approach. Then you need the faith in yourself. It shines through. It is sincere."

He emphasized that no agent should go into the field without a "pure, unadulterated canned sales talk, because you know you have a track to run on when you have a good talk."

William G. Coursey, managing director of the association, described methods of closing and meeting objections. He said that when the sales presentation is good there isn't much that needs to be done about the close.

The difference between a mediocre salesman and a definitely successful one is the ability to pick out the legitimate objections as compared to excuses. "If you have a serious objection and do not at that moment overcome it you have erected a sales barrier that is almost certain to defeat you," he warned. "You must find them and overcome them."

He made these suggestions: answer objections before they come up; be sure to have an answer ready; don't fight the prospect; ask why, to bring objections into the open; when the prospect says no he is avoiding an objection; give prospects credit for intelligence.

BENJAMIN BERIS, founder and president of American Glass Co. of Chicago, died suddenly at the age of 62. Survivors include his widow, I. Minnie, a son, Norman, vice-president of American Glass, and two daughters, Mrs. Dorothy Provis, whose husband Beryl is an official of American Glass, and Mrs. Froda Platkin.



Benjamin Beris

WILLIAM T. HOLDEN, 84, retired Wilson, N. C., local agent, died.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

removed this. The Senate version would also delete the House version requirement that employer-paid medical expense plans meet certain requirements to make sure they do not discriminate in favor of better-paid employees.

The \$100-a-week limit is not regarded as objectionable by insurers but the complete absence of an exclusion would do much to destroy the attractiveness and salability of group A&H insurance.

Benefits for hospital and medical expenses are not involved nor are benefits paid for by the employee himself. All of these would continue to be non-taxable, as under present law. Workmen's compensation benefits would also continue to be excluded from tax, even for loss of time.

Three More Companies Offer UJ Coverage

Interstate Indemnity of Los Angeles will attach an endorsement to auto policies of California insured beginning July 1, applicable to policies as of June 15, which will provide free unsatisfied judgment coverage for insured, spouse and minor children in the household. Limits are 5/10. Insured are covered if injured while pedestrians, as well as if injured while operating or riding in most land vehicles. This will help agents meet competition of direct writers, according to the company.

Iowa Mutual of DeWitt is also offering "unsatisfied judgment" insurance. The coverage has been approved in Colorado, Illinois, Nebraska and South Dakota, and filings are pending in other states. Iowa Mutual is charging \$5 a year in connection with a liability policy of 5 and 10, and \$10 a year for 10/20. Motorists Mutual and Pacific Indemnity also are selling a similar coverage.

The Western Mutual of Des Moines has introduced in Iowa an unsatisfied judgment endorsement, the first to be approved by the Iowa department.

The filing is considered important in that if generally adopted by other companies it may prevent any attempt in the 1955 legislature to set up a state unsatisfied judgment program.

The Western Mutual coverage differs from some other similar plans in other states in that it includes property damage as well as BI liability.

The endorsement covers the insured, his spouse and minor children and also covers accidents in which the insured is a pedestrian or riding in a non-motorized vehicle. The company must be notified 10 days prior to commencement of action. Attorney fees and costs are not payable and default judgments are not excluded.

The annual premium for the endorsement is \$5 for a 5/10/ policy and \$7.50 for 10/20/2.

Garden State Pond Elects

Garden State Pond of Blue Goose held its annual golf outing and election at Morristown, N. J. Officers are Robert F. Stumpf of General Adjustment Bureau, MLG., Walter Sheldon of Niagara supervisor, Fred F. Bross of Halifax custodian, Calvin Baile of London & Lancashire guardian, Edward Barrett of Firemen's keeper, and Edward J. Peiffer of Dubuque F. & M., wielder.

N. E. Mutual Insurers Elect

Mutual Fire Insurance Assn. of New England at its annual meeting in Boston elected Clifford A. Peterson of Merchants & Farmers of Worcester president, and Minott M. Rowe of Worcester Mutual and Harvey MacArthur of Quincy Mutual vice-presidents, with Edward D. Sirois, executive secretary, and Ethel M. Pratt, his assistant, being reelected. New members of the executive committee are Harold A. Knapp of Norfolk & Dedham Mutual and Arthur W. Benson of Pawtucket Mutual.

Seminar on U&O for Producers

The Kemper group held a seminar for producers in the metropolitan New York area on business interruption insurance. The group recently surveyed 3,500 commercial accounts and found that only 15% of the firms carried such insurance. At the forum the group's new, simplified form of business interruption coverage was discussed. Among company officials participating in the affair were V. T. Ehre, T. L. Osborn, R. K. Hill, J. B. Mullin, and B. F. Baumann.

Says \$300,000 Missing from N. J. Disability Fund

Governor Meyner of New Jersey has disclosed that \$300,000 in state employment disability funds, which former governor Harold G. Hoffman stated he deposited in South Amboy Trust Co., had mysteriously disappeared. This is the same amount as Hoffman indicated in a written confession that he embezzled from the trust company, of which he was president, in the 1920s and 1930s.

Until recently Hoffman headed the state division of employment security. (Earlier story on page 29.)

Adjustment Costs to Come From Income

WASHINGTON—A rider was attached by the Senate to the annual Agricultural Department appropriation bill which will permit Federal Crop Insurance to pay loss adjustments out of premium income. This is a step in the program of Manager C. S. Laidlaw to put the government's crop coverage program on a self-supporting basis.

The Senate added \$500,000 to the FCIC appropriation in that bill, making the total \$6.2 million. The department had recommended that it be authorized to pay commissions on sales and servicing of new business.

AMICO

Financial Statement

January First Nineteen Fifty-Four

Assets

*As of December 31, 1953,
as reported to the Department
of Insurance, State of Illinois*

All bonds amortized.
Stocks at book value, which
is less than market value.

Cash in banks	\$ 3,533,184.99
U. S. government bills, certificates and notes	16,407,856.65
U. S. government bonds	24,442,778.15
State, county and municipal bonds	3,160,221.95
Public utility and other bonds	688,034.30
Stocks	1,038,684.69
First mortgage loans on real estate	93,697.75
Real estate	65,002.91
Premiums in transmission	2,423,292.00
Accrued interest and other assets	864,896.27
Total assets	\$52,717,649.66

Liabilities

Reserve for losses and adjusting expenses	\$29,919,593.00
Reserve for unearned premiums	9,875,644.00
Reserve for taxes, expenses and reinsurance	2,220,071.43
Reserve for dividends to policyholders	3,702,341.23
Reserve for portfolio fluctuation	500,000.00
Reserve for contingencies	500,000.00
Total	\$46,717,649.66
Capital stock	\$ 3,000,000.00
Net surplus	3,000,000.00
Capital stock and surplus	6,000,000.00
Total	\$52,717,649.66

*Securities carried
\$3,312,849.94 in the above
statement are deposited as
required by law.*

American Motorists Insurance Company

SHERIDAN ROAD AT LAWRENCE AVENUE • CHICAGO 40

JAMES S. KEMPER, chairman

H. G. KEMPER, president

LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash	\$ 5,912,197.98	Reserve for Losses	\$ 16,723,394.59
Mortgage Loans on Real Estate	995,304.57	Reserve for Unearned Premiums	57,852,314.71
*Bonds and Stocks	116,551,150.52	Reserve for Taxes and Expenses	4,108,133.00
Interest due and accrued	146,025.98	Reserve for other Liabilities	6,385,449.65
Premiums not over 90 days due	5,116,346.70	Capital	11,575,000.00
Real Estate	3,341,000.00	Net Surplus	45,465,365.58
All other Assets	10,047,631.78		
Total admitted Assets	\$142,109,657.53	Total	\$142,109,657.53

SURPLUS TO POLICYHOLDERS \$57,040,365.58

Securities carried at \$3,094,994.84 in the above statement are deposited as required by law.

GIRARD INSURANCE COMPANY OF PHILADELPHIA, PA.

DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash	\$ 675,016.05	Reserve for Losses	\$ 1,747,220.33
Mortgage Loans on Real Estate	2,398.55	Reserve for Unearned Premiums	6,427,869.68
*Bonds and Stocks	10,936,351.46	Reserve for Taxes and Expenses	459,593.00
Interest due and accrued	35,716.80	Reserve for other Liabilities	99,051.56
Premiums not over 90 days due	1,636,387.84	Capital	1,000,000.00
Real Estate	170,000.00	Net Surplus	3,802,558.78
All other Assets	80,422.65		
Total admitted Assets	\$13,536,293.35	Total	\$13,536,293.35

SURPLUS TO POLICYHOLDERS \$4,802,558.78

Securities carried at \$769,147.96 in the above statement are deposited as required by law.

NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.

DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash	\$ 749,147.45	Reserve for Losses	\$ 1,747,220.33
*Bonds and Stocks	10,865,004.08	Reserve for Unearned Premiums	6,044,271.68
Interest due and accrued	34,486.89	Reserve for Taxes and Expenses	458,393.00
Premiums not over 90 days due	1,658,891.85	Reserve for other Liabilities	61,551.67
Real Estate	75,000.00	Capital	1,000,000.00
All other Assets	95,235.45	Net Surplus	4,166,329.04
Total admitted Assets	\$13,477,765.72	Total	\$13,477,765.72

SURPLUS TO POLICYHOLDERS \$5,166,329.04

Securities carried at \$1,714,939.27 in the above statement are deposited as required by law.

MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS.

DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash	\$ 1,323,464.85	Reserve for Losses	\$ 4,742,455.18
Mortgage Loans on Real Estate	365,927.41	Reserve for Unearned Premiums	16,405,880.27
*Bonds and Stocks	30,253,368.57	Reserve for Taxes and Expenses	1,263,131.00
Interest due and accrued	68,148.84	Reserve for other Liabilities	24,341.29
Premiums not over 90 days due	2,806,477.72	Capital	3,000,000.00
All other Assets	209,099.66	Net Surplus	9,590,679.31
Total admitted Assets	\$35,026,487.05	Total	\$35,026,487.05

SURPLUS TO POLICYHOLDERS \$12,590,679.31

Securities carried at \$2,616,996.36 in the above statement are deposited as required by law.

ROYAL GENERAL INSURANCE COMPANY OF CANADA

DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash	\$ 32,782.26	Reserve for Taxes and Expenses	\$ 1,270.17
Bonds and Stocks	393,120.34	Capital	100,000.00
Interest due and accrued	3,510.00	Net Surplus	357,405.24
Premiums not over 90 days due	17,262.81		
All other Assets	12,000.00		
Total admitted Assets	\$458,675.41	Total	\$458,675.41

SURPLUS TO POLICYHOLDERS \$457,405.24

Securities carried at \$55,600.15 in the above statement are deposited as required by law.

THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash	\$ 2,727,709.52	Reserve for Losses	\$17,267,043.00
Mortgage Loans on Real Estate	58,827.13	Reserve for Unearned Premiums	12,541,373.93
*Bonds and Stocks	35,814,363.79	Reserve for Taxes and Expenses	3,048,186.22
Interest due and accrued	104,544.19	Reserve for other Liabilities	460,813.73
Premiums not over 90 days due	3,145,227.05	Capital	1,500,000.00
All other Assets	584,756.36	Net Surplus	7,618,011.16
Total admitted Assets	\$42,435,428.04	Total	\$42,435,428.04

SURPLUS TO POLICYHOLDERS \$9,118,011.16

Securities carried at \$4,241,375.40 in the above statement are deposited as required by law.

COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.

DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash	\$ 2,264,188.01	Reserve for Losses	\$20,702,575.00
Mortgage Loans on Real Estate	481,408.74	Reserve for Unearned Premiums	14,097,900.49
*Bonds and Stocks	42,081,155.04	Reserve for Taxes and Expenses	2,776,597.41
Interest due and accrued	98,969.31	Reserve for other Liabilities	844,774.37
Premiums not over 90 days due	3,163,109.50	Capital	2,000,000.00
All other Assets	481,861.81	Net Surplus	8,148,845.14
Total admitted Assets	\$48,570,692.41	Total	\$48,570,692.41

SURPLUS TO POLICYHOLDERS \$10,148,845.14

Securities carried at \$1,504,929.02 in the above statement are deposited as required by law.

*Valuations on basis prescribed by National Association of Insurance Commissioners.

HOME OFFICE

10 PARK PLACE, NEWARK 1, NEW JERSEY

Foreign Department

102 Maiden Lane, New York 5, New York

Western Department

120 So. LaSalle St., Chicago 3, Illinois

Southwestern Department

912 Commerce St., Dallas 22, Texas

Pacific Department

220 Bush St., San Francisco 6, Calif.

Canadian Departments

800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver 3, B. C.